





## EUROPEAN NEWS

## Dutch call for cut in work hours

Holland's largest trade union federation, the FNV, will make a shorter working week, longer holidays, and early retirement the main themes of its 1979 wage campaign, writes Charles Batchelor in Amsterdam. The federation hopes to achieve a fair distribution of the available work to combat high unemployment. The FNV's executive will start discussions of its plans for 1979 later this month and policy will be decided in mid-October after the membership has been polled for its views.

## Menten trial

The Special Chamber of the Hague District Court yesterday referred the war crimes case against the Dutch millionaire Mr. Pieter Menten to an examining judge. The judge will investigate Mr. Menten's claim that a former justice minister told Mr. Menten in 1952 that no further charges would be pressed against him. Mr. Menten was found guilty last December of taking part in the mass execution of Jews in Poland in the summer of 1941 and sentenced to 15 years imprisonment. But the Supreme Court quashed the sentence on the grounds the lower court had made a procedural error.

## Russian air crash

Russian personnel were yesterday clearing the wreckage of a Soviet photographic reconnaissance aircraft which crashed on the Norwegian Arctic island of Hopen, in the Svalbard archipelago last Monday, writes Fay Gjesten in Oslo. The crash was discovered on Thursday by Norwegian personnel from the island's weather station. The Norwegians have secured some pieces of the wreck and the aircraft's wreckage, which will be sent to Britain for interpretation.

## French budget plans due tomorrow

BY DAVID CURRY

THE END of the holidays having been formally "celebrated" with a weekend seminar at Ramboillet under the chairmanship of President Giscard d'Estaing, the French Government is this week putting the finishing touches to the 1979 budget proposals and a special series of measures to absorb, if only marginally, unemployment. Details of both will be announced on Wednesday.

The President promised his Western partners at the Bonn summit that he would permit the 1979 budget, which will total some Fr 460bn, to remain in deficit; the problem is to hold that shortfall to the Fr 15bn (€1.9bn) felt to be the maximum compatible with M. Raymond Barre's programme on restoring economic equilibrium.

The betting is once again on higher taxes on petrol, alcohol,

cigarettes and tobacco and motor vehicle permits. But it is also thought that the Government has decided to prune the flourishing fiscal undergrowth of special concessions accorded to around 90 categories of trades. These range from handweavers in the Lyons silk industry, spectacle makers in the Jura, Paris models, musical artists, certain workers in casinos, jewellery workers and the staff of station book stores.

These trades all benefit from a basic 10 per cent deduction for tax purposes before the special scale of further deductions, going up to 40 per cent, applies. The Government is thinking of clipping this 10 per cent deduction for higher incomes.

The issue of employment is likely to become one of the preoccupations of the autumn,

since even the Government is reconciled to the total of jobless reaching at least 1.2m while the unions fear a substantially higher total.

The measures being discussed by the Government avoid radical steps like cutting the retirement age or the length of the working week or stepping up public sector recruitment since M. Barre believes this would simply increase industrial costs without securing permanent employment.

The favourite candidate is a measure to compel employers to increase the rate they pay for overtime but to claw more of that overtime back from the worker as a contribution to the national unemployment fund which is in urgent need of replenishment. This would make it more costly for both employer and worker to take on

extra hours rather than recruiting new personnel.

It is also thought that the maximum working week could be reduced (it stands at 52 hours but the average actually worked is some 41.6) while fiscal concessions may be given to employers who increase manning for continuous process operations.

The Government has already re-introduced the measure started in July 1977 to exonerate employers from social security charges if they recruit young people.

The Government has one eye on the negotiations due to be resumed soon between the employers' association, the Patronat, and the unions over changing the scale of unemployment benefit, establishing sectorial wage guidelines, and even for a television documentary.

## Kreisky's Crown Prince in trouble

By Paul Lendvai in Vienna

DR. HANNES ANDROSCH, Austrian Vice-Chancellor and Finance Minister, has become the target of an unprecedented campaign of abuse which may well have destroyed his chances of ever becoming Dr. Bruno Kreisky's successor as leader of the ruling Socialists.

Party and subsequently as Chancellor. It is not his controversial fiscal and monetary policy but primarily his private business as a chartered accountant and his personal life style, which have dominated the headlines and provided seemingly inexhaustible material for commentaries and even for a television documentary.

Until recently the tall, good-looking and very able finance expert was regarded as the golden boy of an almost American-style success story. He was only 32 when Chancellor Kreisky in April 1970 chose him as his Finance Minister, the youngest in Austrian history. In less than two weeks Dr. Androsch will go into history once again as the longest serving Finance Minister in this century, surpassing even the record of the legendary Herr Reinhard Kamitz, the post-World War 2 architect of the strong Austrian economy.

Still only 40 years old, Dr. Androsch has long been regarded as the front-runner to succeed Dr. Kreisky. Despite strong resistance in the Socialist Party, the Chancellor promoted his favourite over the heads of more senior cabinet ministers to the post of Vice-Chancellor in September 1978 and also to the deputy chairmanship of the ruling party.

What then prompted the Vice-Chancellor to offer to resign if he were to become a burden for the Government and the party? This summer an illustrious month of the opposition People's Party. Plus, accused the Finance Minister of indirectly profiting from his political position because his chartered accountants firm, called Consultatio, had multiplied its turnover and profits during the past few years. Its clients included a growing number of companies belonging directly or indirectly to the public sector.

That article was a mixture of fact and rumour. Its politically explosive implications, however, alarmed the Socialists just over one year before the next general elections: the Number Two man in a socialist government pledged "to fight against poverty" was depicted as a millionaire with an annual net income of ASch 3.5m (about £120,000), living in a luxurious house worth ASch 20m and throwing money about.

The Finance Minister called a news conference and produced his tax declaration for 1976. Far from being a millionaire, he declared debts of ASch 700,000 in his wealth tax return. As to his business income it was "only" ASch 497,000 in addition to his gross salary of ASch 1.1m. His house was apparently bought by his father-in-law for ASch 10m and he himself had invested ASch 3m to furnish and to complete it. But he repeatedly stressed that everything was perfectly legal and that he and his wife retained their 75 per cent holding in the "Consultatio", which has been run since 1970 by the minority partner.

But the Ministers' counter-attack backfired and attracted even further publicity. A widely discussed television documentary revealed that Consultatio achieved an eight-fold rise of turnover to ASch 17m between 1970-77, its staff jumped from 10 to 45 and recently gained the holding company of the Vienna Municipality with some three dozen firms as a new client.

Dr. Androsch sees the affair as a politically-motivated campaign, skillfully orchestrated by the People's Party and timed to coincide with the forthcoming important municipal elections in Vienna. "Every body since 1970 has known all the facts. The campaign raises the question of principle whether self-employed or professional people should be allowed to go into politics or whether politicians serve should be only civil servants quietly pocketing several salaries at the same time and enjoying large pensions after retirement," he stressed.

Commentators point out that the issue is the moral dilemma of being both the supreme tax collector—as Finance Minister—and retaining a relatively large firm of tax advisers. Dr. Androsch has acted exactly as an clever entrepreneur would, finding his way through the jungle of taxation legislation to pay the permissible minimum.

Why then is Dr. Androsch in political trouble? Because he has in a sense, as the weekly magazine Profit put it, provided a contradiction in the Socialist policy, which still aims to create a classless society yet at the same time produces a "new class" of distinctly bourgeois life-style and ethics. Dr. Kreisky himself also evidently finds it hard to make his view fairly clear in a series of interviews which further undermined the position of Dr. Androsch.

Dr. Kreisky said he could not conceive of a Socialist Party leader who at the same time owns a company.

## Mondale lauds Italian efforts to sort out economic problems

BY PAUL BETTS

ROME, Sept. 4

ON THE eve of his departure for an official visit to Spain, Sig. Giulio Andreotti, the prime minister, held talks in Rome today with Mr. Walter Mondale, the U.S. Vice President, who renewed the Carter Administration's support for the minority Christian Democrat Government.

Mr. Mondale said he was impressed with the Italian Government's current efforts to tackle the underlying structural problems of the economy.

This was seen here as a gesture by Mr. Mondale, who attended the Pope's inauguration ceremony in St Peter's yesterday, to back Sig. Andreotti's current attempt to win all party consensus on his three-year economic recovery programme.

Sig. Andreotti held initial talks on his Government's programme during the day with representatives of the political parties, including the Communists, now supporting his minority Government.

The Government's economic proposals include measures to reduce Italy's public sector borrowing requirement, curb inflation and labour costs, while generating some 500,000 new jobs over the next three years, have so far had a mixed reception from the political forces and the labour movement.

For its part the national employers' confederation, Confindustria, has criticised the outline programme because it feels the emphasis weighs too heavily on the public sector at the expense of the private sector.

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# NATO and its troubled southern flank partner

Mr. Matthew Nimetz, U.S. State Department Counsellor, has begun "friendly" exploratory discussions to try to break the Cyprus deadlock and help revive the stalled peace talks between the Greek and Turkish communities, our Nicosia correspondent writes. The U.S. envoy held a two-hour meeting with President Spyros Kyprianou at which they discussed the Cyprus problem. Mr. Nimetz was to have more talks later with the Foreign Minister, Mr. Nicos Rolandis, and on Wednesday will cross into the Turkish sector of Nicosia to see Mr. Rauf Denkash, head of the Turkish-Cypriot administration.

murder, but still the bases are crucial to confirm data obtained from other sources. The debate over the future of the bases is taking place after a summit which has seen Turkey consistently advocating detente and has included a visit by Mr. Ecevit to Moscow when he signed a political document. One result of this visit has been a declaration by Mr. Ecevit that he will only sanction the operation of those bases which contribute to world peace. In this context he sees Turkey as an integral factor in the balance on which detente has been based and major changes which might threaten this balance.

But while apparently resolute in his determination that Turkey should stay a member of NATO, he is equally keen that Turkey should build its bridges with the Third World. Next year Turkey is to seek "guest" status at the meeting of the foreign ministers of the non-aligned countries. It is also wooing the Group of 77 with Mr. Ecevit last month firmly expressing his reservations about the way the IMF works and criticising the multinationals.

With the IMF and Western banks still proving hesitant in advancing Turkey the huge sums necessary to see it through its present crisis, the Government has been stressing its need for aid. It has continued to our allies that we could not separate defence strength from our economic strength and that they should contribute to basing our defence structure on a sound economic foundation." Mr. Ecevit told the August meeting of Turkey's Supreme Military Council.

NATO is now examining how to help Turkey, as well as fellow alliance member, Portugal.

**ATHENS, Sept. 4**

**THE BRITISH** Ministry of Defence will be exhibiting British military hardware to Greek military chiefs at the end of this month in an effort to regain ground lost to French, West German and Italian manufacturers.

Designs and models of military equipment will be brought to Greece's doorstep when the British Defence and Armaments Sales Mission visits Athens from September 28 to October 4. The ship's itinerary, which also includes Nigeria, Tunisia and Colombia, was arranged to exhibit materials and equipment in countries which do not have their own defence industry.

For political reasons, Britain did not sell military hardware to Greece during the seven years of military dictatorship which ended in July, 1974, but is now anxious to catch up.

Greece has been looking around for tanks lately, but the Government has not decided whether to buy them off the shelf or to sign an agreement for purchase in conjunction with the establish-

ment of a tank assembly and repair plant.

Vickers has in the past shown interest in selling Greece their main tank, the MK4, and their Chieftain. The former has several of the Chieftain's features but is lighter and more suited to Greek conditions.

Under a Vickers offer made in 1976, the tank's engine, armour, gun and electronic equipment would have to be imported from Britain, while the value of the equipment added in Greece would be in the range of 50 per cent.

BY OUR OWN CORRESPONDENT

an anarcho-syndicalist National Federation of Labour (CNT) to demanding 90 per cent over-reduced wages of the strike call it issued on Saturday to Barcelona's 2,620 attendants, against strong opposition from the more mainstream unions, the Socialist Workers' Union and the Communist Workers' Comrades, and the local authorities who have outlawed the strike since 1937.

Two larger unions oppose the strike since they were against it to a state-wide collective agreement. The CNT was invited to claim the CNT was invited to take part. The Barcelona provincial government has declared the strike illegal on the grounds the July agreement is binding on all Spanish port stationers except those in the Balearic Islands.

Key have mobilised extra units against pickets, in some service stations, the police themselves are serving petrol.

The success of the strike is disputed, with employers maintaining that no more than 150 workers are involved. The CNT's main demands are for an extra pay 250 (£1.75) a day, and a 40 hour week rather than the 42 hours negotiated in the agreement. This last measure, they insist, is necessary to alleviate unemployment in the sector. The anarcho-syndicalist union, Spain's largest prior to the civil war, holds the allegiance of over three-quarters of Spain's seafarers. It is to be using the strike to establish a clear line between itself and the larger Socialist and Communist led unions, which it frequently denounces as "traitors."

In previous strikes involving the port, the CNT and the *Comunidades* have been equally squared with other unions, but this is the first occasion on which it is the

leader as well as sole participant in a strike. If the action fails, on both the CNT and the unions as most observers expect, particularly following the show of force by the Barcelona authorities, the experience could provide the CNT, and other unions tempted to go it alone after the conclusion of national or territorial agreements, with a cautionary tale for the future.

## Rizzole control

The Italian publishing house, Rizzole Editore, plans to merge with Corriere Della Sera, Italy's largest newspaper, of which Rizzole already owns the majority of stock. AP-DI reports from Milan. The plan was revealed in Rizzole's 1977 annual report, which shows that Rizzole lost £7.7bn: (\$8.2bn) in 1977, apart from Corriere's operations, compared to a deficit of £2.2bn in 1976.

Ankara than might have been expected. The Greek and Cypriot Governments have been able to extract some crumbs of compromise from the negotiations, firstly that the present military balance between Greece and Turkey is preserved and, secondly, that future armaments supplies are linked with progress towards resolving the Cyprus dispute. The latter Cyprus dispute point particularly angers the Turks. In any case they tend to view the lifting of the embargo as the righting of a justified grievance.

As for the complexities of Cyprus over the Greek-Turkish dispute, the two sides seem to have far and little likelihood to be affected by the changes. A senior U.S. State Department official, Mr. Matthew Nimetz, is now visiting Cyprus to listen to the leaders of the two communities, an initiative apparently designed to encourage the resumption of the intercommunal talks. Otherwise the main recent

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**David A. Moring, Vice-President, Chemical Bank**

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in-depth financial knowledge not only about Thomson's products, but about the countries in which Thomson operates. His Chemical Banker, David Moring, must have the same.

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Says Brown, "Chemical Bankers get things done because they don't have to go back to the head office for approval on every decision." Obviously, Michael Brown works with other international banks. But David Moring's personal understanding of The Thomson Organisation and the bank's flexibility are two important reasons their relationship continues to grow. That's what usually happens when financial executives get together with Chemical Bankers.

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WORLD TRADE NEWS

# Sanyo Electric and Lotte plan production facilities in U.S.

**BY DAVID EGGLI**  
TOKYO, Sept. 4.

**BOTH Sanyo Electric** will also be Lotte's first overseas plant. Sanyo Electric said its decision to manufacture in the U.S. was based on the increased difficulties of exporting from Japan as the yen appreciated sharply against the U.S. dollar. The plant will be Sanyo's third production facility in the U.S. following acquisition of the stereo speaker manufacturer, Fisher Corp., and the establishment of a 50,000 unit capacity per month colour television producing plant in Arkansas early last year by Sanyo Manufacturing Corp. (SMC).

At present, Sanyo exports amplifiers, tuner and player units to the U.S. for sale under the Fisher brand. The San Diego plant's production of these combined units will reduce Sanyo exports to the U.S. which totalled about 240,000 units in the 12 months ended last November, the company's financial year.

The San Diego plant, which will occupy 37,000 square metres, will include the refrigerator producing facilities. Sanyo exports about 180,000 small-size refrigerators a year to the U.S. The company spokesman claimed that the production slack created domestically by start-up of the U.S. plant will be made up through increased sales in Japan.

Meanwhile, Lotte said it is completing plans to build a chewing gum plant in Battle Creek, Michigan to sell products on European and U.S. markets, with the aim of eventually exporting back to Japan itself. The new wholly owned Lotte subsidiary will be capitalised at \$5m according to Mr. Yoshitane Takahashi, general manager of the company's administration department. Final plans for the chewing gum plant are expected to be completed by mid-October, he said.

Lotte, which ranks first among 20 Japanese chewing gum makers, will be the first Japanese confectioner to invest in a production facility in the U.S. It

# Ammonia surplus 'will get worse'

**By Kevin Done**

**OVERCAPACITY** in world ammonia markets will worsen in the early 1980s and export opportunities for traditional suppliers in Western and Eastern Europe will be seriously reduced.

According to a study published by Chem Systems, engineering consultants, the growth in world demand for ammonia is expected to fall from 6.5 per cent a year to 4.5 per cent a year over the period to 1990-91. This compares with the average growth of 7 per cent a year in the decade up to 1976-77. Demand is forecast to rise from 56.7m tonnes a year in 1976-77 to 119m tonnes in 1990-91.

Chem Systems suggests that the demand in the developing regions of the world could grow by as much as 10 per cent a year, while the developed regions of North America, Western Europe and Japan are expected to show a growth of only 2.8 per cent a year.

There will be a considerable surplus of capacity worldwide, and present overcapacity could more than double by the early 1980s. The most pronounced overcapacity will be in traditional ammonia manufacturing countries, East and West Europe, North America and Japan.

The Future Ammonia Business, Chem Systems, 28 St. James Square, London.

# Sharp GATT warning on inflation

**BY DAVID EGGLI**

**IN DOLLAR** terms world trade in 1977 increased 13 per cent over the previous year, to a total of \$1,206bn. But in volume terms, trade growth slowed from 11 per cent in 1976 to a mere 4 per cent last year, according to the latest figures issued by the Secretariat of the General Agreement on Tariffs and Trade (GATT).

Basing itself on the trade returns of the large industrial countries, a forthcoming GATT study on world trade prospects, the main conclusions of which were released today, finds that the volume of international trade has grown somewhat faster in the first half of this year with an annual rate of close to 6 per cent.

Barring a sharp reversal of this trend in the second half of the year, GATT believes that the increase for 1978 will be somewhat larger than for last year.

The study says that increased growth and employment, as well as more stable exchange rates and sustainable payments positions, can be achieved by industrial countries only if they manage to reduce inflation rates to the levels prevailing until the mid-1960s.

It is considered particularly important for the U.S. to take the lead in efforts to combat inflation: "Once the dollar's purchasing power begins to stabilise, stabilisation of the whole system should be that much easier," the study comments.

With the current general recognition that one only loses from inflation, at least in the long run the authors see the announced pace over the next

# Israel sets terms for BL deal

**By Maurice Samuelson**

**THE BUS** which BL would like to sell to Egged, Israel's inter-urban national bus service, is the new single decker city model still known only by its code-name, the B21.

Only 25 production vehicles have been sold so far to Belgium. Prototypes are being studied in other European countries, Australia and New Zealand.

If orders are placed, it would be built at the Bristol commercial vehicle factory, BL said yesterday.

One of its attractions for Israel is that it is rear-engine, enabling the driver to act as a ticket collector.

More details of the Israeli Government's attitude towards a deal between Egged and BL became known yesterday. Mr. David Halperin, a deputy director-general of the Finance Ministry and head of its counter-boycott unit, told the Financial Times of three alternative conditions which had been put to BL.

BL should invest in Israel: buy back Israeli-made parts (thus helping Israel's exports); or have the buses assembled in Israel. Mr. Halperin claimed that the Arab boycott regulations were very flexible and said that any agreement should be public.

BL had indicated the talks with Egged, which is said to favour both the bus and the financial terms offered by BL. Egged, a driver owned co-operative, has also considered a bus built by MAN, the West German company. Mercedes and Scania are also reported to be interested.

Technical details of BL's B21 bus are being checked by experts of the Israeli Transport Ministry.

● Kenneth Gooding adds: Aveling Marshall, BL's construction equipment offshoot, has won an order worth more than £1m from South Korea for the supply of 90 crawler-dozers to the Yungbo Industrial Company of Seoul.

And Kenya's Ministry of Agriculture has ordered a further 16 crawler-dozers from the company which is part of SP Industries, BL's specialist engineering division.

The machines for Kenya are worth over £500,000 and will join a fleet of 27 supplied last year to the Ministry.

These are the latest in a series of major export deals involving Aveling Marshall equipment. Earlier this year the company completed its biggest ever order on schedule—the supply of 160 bulldozers, worth £3.25m, for land development projects in Pakistan.

# Soviets in Vietnam projects

**By Christopher Robinson**

**WARSAW**—The Soviet Union is helping in the construction of 64 projects in Vietnam, including the building of a steel mill, a chemical plant and a power station.

This Soviet involvement in Vietnam is reported in a Polish foreign trade journal, "Rynek Zagraniczny", in an article on Comecon involvement in the reconstruction and development of the Vietnamese economy. The paper adds the last Comecon session in Bucharest, in June, was the subject of widespread support for the rebuilding of Vietnam.

East Germany, which in 1956-77 helped to build industrial plants in Vietnam, present involved in a large number of projects and trade held in July promises considerable growth in mutual trade.

Poland meanwhile is participating in eight large projects mainly in coal and iron and in the shipbuilding industry. A Polish-Vietnamese trade protocol signed last March has a target for 1980 of 101.5m foreign trade (Zloty (\$30.6m)).

Czechoslovakia and Hungary are co-operating in eight projects, two power stations and two large buildings, an aluminium works and helping in the Vietnam's bauxite extraction industry. Bulgaria is pursuing in the exploration and extraction of copper deposits and in the construction of two hydroelectric power stations.

All the Comecon countries helping to build the North Vietnamese railway linking Hanoi and Chi Minh city.



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# Martinair withdraws from North Atlantic routes

**BY CHARLES BATCHELOR**  
AMSTERDAM, Sept.

**PRICE** competition has forced Martinair, the third largest charter airline in the world, to withdraw from the North Atlantic routes. The company will not fly the North Atlantic in the 1978/79 winter season or in 1979 and will then see how the market is developing, a spokesman said.

"Competition has become so tough, what with standby flights and other cut price offers, that the North Atlantic charter business is no longer profitable," he said. Martinair will divert its fleet to freight, its European routes and sub-chartering to other airlines. Its fleet consists mainly of one DC-8, three DC-9s and three DC-10s.

After the signing of the air traffic protocol between Holland and the U.S. last March, Martinair expected an upturn in business. But the increase in competition meant the company made a loss on these routes for the first time and traffic volumes were lower than expected.

The Dutch Transport Ministry allowed airlines to quote very low rates on scheduled flights as an experiment this summer. It also removed all controls on charter prices to allow the charter companies to compete.

Martinair is the largest charter airline after Condor and Trans-International. It has been flying the North Atlantic since 1965. It made a record turnover of 11.5m (\$5.3m) in 1977, turnover 13 per cent higher than 1976 (\$11.1m) and nearly 770,000 passengers a year compared with 640,000 a year before.

Martinair is 49 per cent owned by the largest shipping group, Nedlloyd, 25 per cent by KLM, Dutch Airlines. KLM was start a direct service to Los Angeles from April 28, 1978. KLM will make four flights a week. The new services follow acquisition of landing rights earlier this year at Los Angeles, Chicago, Anchorage and New York (via Montreal).

● AP-DJ reports from the German domestic airline, Lufthansa, announced that DLT is to up its purchase option for more of the Northern Ireland's model 330 bodied aircraft.

This makes seven of the craft which DLT, 20 per cent owned by Lufthansa, has from Shorts, the Glasgow-based aircraft manufacturer. The two additional "mutter" airliners are due delivery in October and December.

# Fiat urges co-operation

**PARIS**, Sept.

**UMBERTO AGNELLI**, vice-president of Fiat, called for closer industrial co-operation between European car makers.

"Europe's car industry can do many things together, notably the production of engines and gear boxes in order to achieve greater cost effectiveness," he told a news conference in Paris.

Sir Agnelli, who was in Paris to launch Fiat's new medium-sized "Ritmo" model, termed the Peugeot-Citroen-Chrysler deal as "very important" both because it will strengthen the French car industry and form Europe's first multinational company in face of American nationals.

As a result of the deal, Fiat has sealed its previous ambition of becoming Europe's largest motor manufacturer. "Our objective is to be the largest car maker in Europe," he said.

At the failure of his efforts to merge with the early 1970s, Agnelli's stake from 16.5 per cent in Citroen's holding was forced to sell in June 1973. Citroen was absorbed by Peugeot.

# Mexico starts exporting methanol

**BY WILLIAM CHISLETT**  
MEXICO CITY, Sept.

**MEXICO** HAS exported its first ever shipment of methanol after quickly reaching self sufficiency in the product. Last week 2,500 tons were shipped from the Port of Ciudad Madero by Pemex, the state owned oil company, to Tauber Oil in the U.S.

Last year Mexico had to import 36,387 tons of methanol, but this year it has increased domestic production to 15,551 tons, which have been imported.

Pemex is negotiating for more methanol and that this year total production of the chemical will be 19,779 tons.

Handwritten note in Arabic script: "مجلس إدارة"



# AMERICAN NEWS

## Nicaraguan students arm as government shores up banks

MANAGUA, Sept. 4

**LIBERAL** NICARAGUAN students have started collecting arms and ammunition in the northern city of Managua, leaving a toll of some 30 civilians and one soldier dead, according to a report from the city. The students are also collecting weapons from the army and police. In several provincial cities, youths and other anti-government groups have mounted attacks on the National Guard, the only military and police organisation in the country, at various times since the beginning of the year. Some of the cities have seen a state of open rebellion against the Somoza regime for days at a time. The strike, called by a broad-based opposition group, has gained ground, shutting down most of the shops in the country. It enters its second week today. All the arrested leaders of the strike are prominent lawyers, businessmen or politicians. Mr. William Baez, secretary of the Nicaraguan Development Institute, which represents some 700 private companies and banks, said that the arrests showed weakness on the part of the government. "They are trying to chop the head off the strike. Those whom they have arrested are respected people," he said. The National Guard announced last night that the government had expelled a Spanish priest, Father Pedro, who was charged with bombing and Molotov cocktails had been found in his church in Granada, south-east of Managua. Agencies

## Meany calls for rich to sacrifice

WASHINGTON, Sept. 4

**MR. GEORGE MEANY**, the veteran leader of the AFL-CIO, the main labour organisation in the U.S., has called on the rich and powerful among his fellow Americans to make the first sacrifice in the struggle against inflation, promising also that organised labour would support them in such an abnegation. Mr. Meany, aged 84, said, "In the past, workers have been called upon to sacrifice first in the fight against inflation. And they have. But the corporations and the bankers never did their share, and there is no evidence that they will do so now. I don't think it is too much to ask of those who have reaped the most from the U.S. economic system — the wealthy individuals, corporations and banks — to take the first step in combating the economic evils of inflation." By way of reiterating the reason of the AFL-CIO to the insistence by President Carter on restraint of wages and prices, so as to reduce the rate of inflation, Mr. Meany said that workers would accept smaller wage increases, but only if there was previous evidence of a deceleration in the rate of price increases. Mr. Carter, in an interview with editors of publications in the labour field, said that he may take stronger action against the rise in prices if inflation worsens. Agencies

## PRESIDENT CARTER AND ORGANISED LABOUR

# Mutual disappointment

BY JOHN WYLES IN NEW YORK

wealth of institutional experience of wheeling and dealing. Like many British Governments in the last 20 years, it is thus believed that the co-operation of organised labour in a voluntary approach is vital, but it is finding it much more difficult to find a British Government to provide support for particular policies. On May 10, for example, 38 union leaders were called to the White House to discuss the Executive Order building to discuss the Carter Administration's anti-inflation policy. Meany had bluntly warned Carter aides that a direct appeal to union leaders to curb their pay settlements to below the average of the last two years would meet with flat rejection. But there was no sign that the President's advisers had prepared him in any way and when he made his direct appeal, which was stoutly spurned by Meany, the President was visibly taken aback. According to AFL-CIO staff, a different approach which committed everyone to battling inflation but which did not tie the unions down on a formula was there for the asking — "but they (the White House) were not smart enough to ask". Labour's scorn would not matter so much if the Administration did not need an anti-inflation policy so badly. The White House is rejecting the advice of right-wing economists to rely on monetary and fiscal measures to slow down the pace of price increases and it is still apparently determined to reject

judgment. The impact of his remarks on the postal workers and the White House was manifest. President Carter may be right in accusing Meany of "a serious breach of propriety," but the



Mr. George Meany

effect was to help rob the Administration of its only major collective bargaining success. Dislike of the Administration's anti-inflation policy, disappointment with its national health care proposals and an inability to understand its reluctance to raise trade barriers make the President's task of forming a genuine partnership with labour more difficult. In the second half of his term

## U.S. and Japan divided on joint energy projects

BY CHARLES SMITH

TOKYO, Sept. 4

**GERMANY**, which helped to lead the U.S. and Japan in the joint energy project, has been divided on the project. The U.S. team, led by Mr. J. M. Deutch, Assistant Secretary for Energy, is said to have pressed strongly for a little direct interest in coal liquefaction techniques. It plans, however, to step up its coal imports substantially over the next few years and apparently sees technological expertise in this field as a potentially useful lever with coal suppliers. Apart from discussing the fundamental question of which types of energy to develop, this week's meeting is expected to agree on the structure of a joint energy organisation which will oversee work in joint energy development. A second round of talks may be held in Washington in four to six weeks. Japan's governmental research into new sources of energy (other than nuclear) is at the moment being conducted within a budget of Yen 5.5bn (about £14m) a year. This is expected to be stepped up by 50 per cent next year. Additional funds will be allocated for joint development with the U.S. Feature Page 13

## Cuba concession to exiles

BY CANUTE JAMES

KINGSTON, Sept. 4

**THE CUBAN** Government is to release hundreds of political prisoners over the next few months, according to informed sources here. At the same time, the Government is making it possible for many of the Cuban exiles living overseas to return to Cuba, either permanently or temporarily to visit relatives. The political prisoners to be released will either stay in Cuba, or will be allowed to leave the country for any destination, they wish. It is expected that President Fidel Castro will elaborate on the release of prisoners on Wednesday when he is to give reports to a news conference to exiled Cuban journalists who are being flown to Havana at Government expense. The journalists will be flown to Havana tomorrow, but they have been told so far that only that the conference will concern "matters of importance to the Cuban community overseas." The Cuban Government, according to the sources, has not taken the decision to release the prisoners because of pressure from the U.S., but has informed the State Department of this unilateral move. Havana

## Canada gas prices move

BY OUR OWN CORRESPONDENT

MONTREAL, Sept. 4

**THE CANADIAN** Energy Minister, Mr. Alistair Gillespie, has moved to pour oil on troubled waters by saying that the new limits he proposes for natural gas prices would be higher than he had indicated a week ago. The federal government has issued a series of economic policy proposals—including one by Mr. Gillespie in effect to regulate the price of western natural gas, which have brought consternation in the Finance Department, the Energy Department and other areas of the senior civil service. The proposals, some calling for radical changes in policy directions, have been issued directly by the Prime Minister's office, usually through hastily-organised news conferences, by-passing the civil service. The moves have also caused consternation in provincial capitals, large companies there was no prior consultation. Budgets may be adversely affected. There are further moves to come, including a tightening of the federal unemployment insurance rules. While most observers regard the policy changes as directly connected with the possibility of an election early in November or next spring, Mr. Gillespie's plan to de-regulate the price of gas has caused an immediate confrontation with Alberta and selling of oil and gas stocks.



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# THE CAMP DAVID SUMMIT

## Carter tactics for summit remain a close secret

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 4.

MOST HEADS OF STATE, Jimmy Carter not excepted, like to think that nothing is inevitable when reasonable men in charge of governments sit down together to thrash out differences. This is the underlying rationale of all summitry and it is the cause of whatever optimism exists on the eve of the Camp David meeting between Presidents Carter and Sadat and Mr. Begin, the Israeli Prime Minister.

Mr. Carter observed last month that the Camp David session was a high risk thing for me politically. Given his current standing in public opinion polls, he may have been exaggerating. But the fact remains that the test of his personal diplomacy will be to convince the Egyptian and Israeli leaders that the consequences of failure at Camp David are surely horrible for either of them to contemplate.

Exactly how Mr. Carter proposes to square the circle of intractability remains a closely guarded secret and will not be made for most of the talks. In spite of Israeli and, to a lesser extent, Egyptian objections, the Administration appears to have been successful so far in its determination to avoid the talks being turned into a public relations circus. Briefings for the Press will be perfunctory in the extreme, it is said, and will be conducted only by Mr. Jody Powell, the presidential press secretary.

Both Mr. Begin and Mr. Sadat are aware that the "selling of the summit" in the U.S. will be a critical factor in determining its success or otherwise. But both so far have refrained, by and large, from seeking to influence U.S. opinion in advance, although Mr. Begin is in New York today and tomorrow to talk to U.S. Jewish leaders and journalists in an effort to ensure that his negotiating position is understood. Mr. Sadat has already made the necessary arrangements to give his side after Camp David to the medium he works so well, the three commercial television networks.

The Carter Administration has been even more reticent. With the President, many of his advisers and even the indefatigable Mr. Vance, the Secretary of State, taking holidays last month, the impression might have been obtained that the U.S. was, if anything, under-preparing.

In fact, Mr. Carter's negotiating position is designed to be both firm and flexible, as performance must be in dealing with two such different personalities as Mr. Begin and Mr. Sadat. It is probably fair to say that the U.S. President does not know precisely what offers, arguments and pressures, and in what combination, will be needed to persuade Israel and Egypt to negotiate directly again. But he does know that anything less than a resumption of such talks will be properly construed as failure.

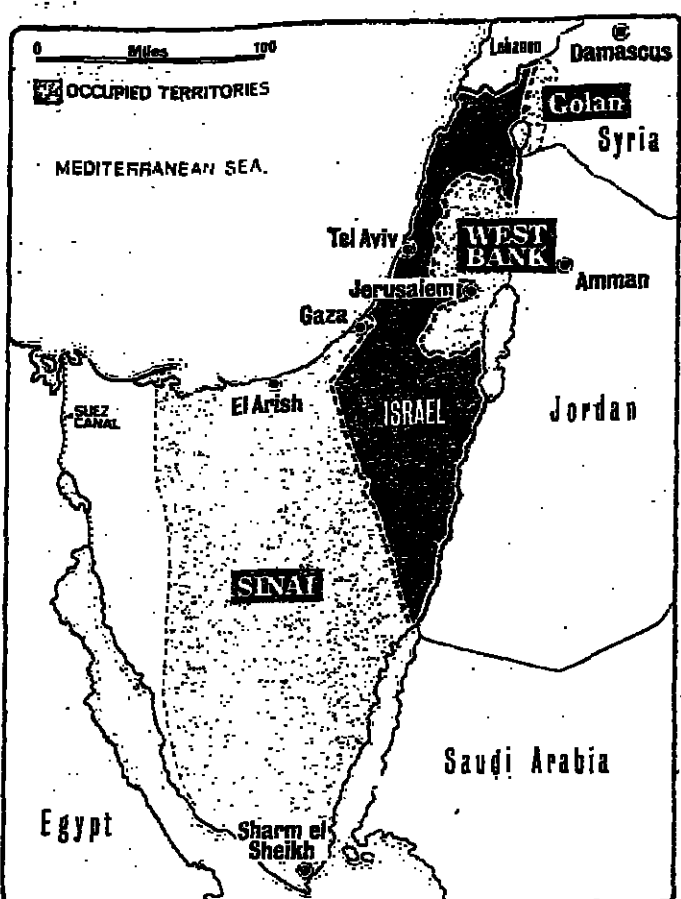
The assumption here is still that the U.S. sees Mr. Begin as the larger obstacle. U.S. officials generally perceive Mr. Begin as an historical figure steeped in tradition and difficult to move.

while President Sadat, partly out of inattention and partly because of his increasingly parious position in the Arab world, is considered more forward-looking and accommodating.

But the positions of both men on the future of the Gaza Strip and the West Bank, not to mention the future status of Jerusalem and the Palestinians, still seem so far apart that a coalition agreement at Camp David remains a remote possibility. The U.S. insists that it has no comprehensive peace plan of its own which Mr. Carter will try and impose on the two sides, but that it may have ideas which could facilitate compromise.

Mr. Begin appeared to shoot one of these out of the water last week when he said he would not entertain the stationing of U.S. troops in whatever guise in the occupied territories. However, this may never have been a serious U.S. proposal, given the undoubted difficulty that Mr. Carter would have in securing congressional approval for such an initiative. The Israeli Prime Minister appeared more interested in a mutual defence agreement with the U.S., though that is a proposition that Mr. Carter might have difficulty in persuading President Sadat to accept.

The situation in Lebanon, it is admitted here, is hanging over Camp David. It may be a major distraction from negotiations on the major issues of the occupied territories, the future status of Palestinian Arabs and Jerusalem.



### THE ISSUES

#### WEST BANK AND THE GAZA STRIP

ISRAEL has offered limited self rule to the million plus Palestinians but insists on retaining military control. It objects to the areas becoming a Palestinian state.

EGYPT wants the areas handed over to Arab or international control while the residents determine their own future.

U.S. believes that Israel should evacuate the area and rely on international guarantees to ensure the area is not used to launch a new war.

#### SINAI

ISRAEL originally offered to return the whole peninsula to Egypt if demilitarised but then backed out to demand that the Jewish settlements remain under Israeli control.

EGYPT wants all the Sinai back but is ambivalent about the settlements.

U.S. also believes that Israel should withdraw to the international border and has hinted that U.S. bases might be located at the points Israel seeks to retain.

#### PALESTINIANS

ISRAEL has finally recognised that the Palestinians are at the core of the Middle East dispute, but will not countenance the creation of a Palestinian state.

EGYPT says that peace can only come if the Palestinian issue is resolved and believes that some form of Palestinian entity is necessary.

U.S. wants the Palestinians to play a role in determining their own future, but does not want a Palestinian state.

#### SECURITY ARRANGEMENTS

ISRAEL believes that its security needs are best served by retaining all the West Bank, the Golan Heights, the Gaza Strip and giving back the Sinai to Egypt if demilitarised.

EGYPT argues that the best possible security for Israel is peace with her neighbours.

U.S. is urging Israel to accept that there are guarantees which can be relied on.

### Jordan watching U.S. role in talks

By Rami G. Khouri

AMMAN, Sept. 4.

KING HUSSEIN of Jordan and his close advisers are not expecting the Camp David talks to produce concrete or substantial advances towards a workable Arab-Israeli peace agreement, but they are watching keenly to see whether the U.S. has decided to play a more decisive mediating role.

There is deep concern in Amman that the U.S. may be so anxious to produce a solution that it will push through compromise watered down as to be totally unacceptable to moderate Arab regimes.

The Jordanians have been disappointed with the weak American posture during the past two years, and they are, in a sense, viewing the Camp David talks as the last chance for the U.S. to save its credibility as mediator.

According to senior Jordanian policymakers, the U.S. would do well to come out with a bold, clear and unequivocally consistent policy on the Middle East. Jordan believes that only this sort of U.S. boldness will convince Israel of the need to implement the dictates of the Security Council resolution 242 for Israeli withdrawal and Palestinian self-determination.

There is some expectation that the involvement of President Carter's personal prestige in the talks, such as a formal address, move, but there are also doubts whether the U.S. will act firmly enough to indicate to the public in the U.S. and Israel that Israel must withdraw fully from the occupied territories in return for a full peace accord with the Arab states and the Palestinians.

Jordan believes that Israeli intransigence is built on continuing U.S. acquiescence in Israel's actions. Thus King Hussein is watching Camp David more to see what the U.S. does than what the Israelis do.

### Jerusalem team said to carry 'new formulations'

BY OUR OWN CORRESPONDENT

CRAMMED into the briefcases of Israel's team for Camp David are long lists of mostly familiar reasons why Israelis believe they cannot give the West Bank and Gaza in peace.

The maps favoured by Prime Minister Menachem Begin, showing Israel's 1947 borders put Tel Aviv squarely in the sights of Arab gunners, are in the delegation kit, should anyone want to see them.

In case discussion should turn to the status in international law of the West Bank and Gaza, legal experts are on hand to present their well-rehearsed case for justifying a continued Israeli presence.

Such arguments, however, would presumably be a short shrift from President Sadat and little more than hored acknowledgement from President Carter.

More interesting will be the "new formulations" which Mr. Begin has promised in his plan to give restricted autonomy to the West Bank and Gaza.

These formulations may be presented by Foreign Minister Moshe Dayan, who has been busy lately looking into ways of fortifying the original 19-nation plan to satisfy the West Bank and Gaza Arabs.

One such modification is believed to be a scheme for lessening Israel's responsibility for public order in these territories and bringing Jordan into a greater security role there.

It can safely be said that the new formulations do not include any idea of Israel giving up control of Jewish settlements in the area. It is hard to imagine that Israel would relinquish its powers to resist external checks and to suppress internal guerrilla activity.

Mr. Dayan is highly skilled at devising formulas which look brand new but which, upon examination, produce results as old ones.

idea to argue that the clause in United Nations resolution 242 was designed to remove military bases from the West Bank while keeping Israel there undisturbed.

More recently, Mr. Begin has been busy with a plan to give the West Bank sovereignty in the West Bank and Gaza after five years of autonomy. This was a major concession, Mr. Begin himself rather than the Israeli government, would be responsible for a strong American presence in the area, to prove that Israel's safety clause in the 1947 UN resolution was not a mere formality.

If the security arrangements are demolished, then the Israeli reasons for retaining control of these territories are uncomfortably exposed as a major Israeli secret.

that the West Bank has a divine right to the land, greater Israel, and that over it must be preserved such time as messianic moment arrives.

It is public opinion, since coming to office in 1977, Mr. Begin has relied on the defence argument, on ideological reasons for the West Bank. But his previous political career has been dedicated to the goal of greater Israel.

At Camp David, Mr. Begin would clearly like to make main issue and concentrate side matters, like partial autonomy, to haggle in detail at leisure over the shape of treaties.

### Sadat warning on cost of failure

BY OUR OWN CORRESPONDENT

CAIRO, Sept. 4

PRESIDENT SADAT of Egypt left for Paris and the U.S. this morning with a warning that failure at the summit would plunge the Middle East back into interminable strife. He said the Camp David talks marked a historic turning point for the whole area.

Cairo newspapers have treated the summit and its build-up with a warning that failure at the summit would plunge the Middle East back into interminable strife. He said the Camp David talks marked a historic turning point for the whole area.

Mr. Sadat admitted as much in Suzet yesterday when he repeated that Egypt would not accept bilateral settlement and would not renegotiate on what it saw as the rights of the Palestinians.

Foreign Ministry officials make it clear that they are depending on the U.S. to produce a suitable settlement, they are relying on President Carter, "a constant theme."

Officials also say there can be no judging of the outcome of the summit. Nothing short of a

declaration of principles and the beginning of the application within a framework of Israeli withdrawal from occupied territories will be considered adequate. Egypt is prepared to concede any security guarantee Israel may want, short of land.

The stark opportunity presented by Camp David and the consequences of failure were summed up by Anis Mansour, a confidant of Mr. Sadat's, in his weekly article in the magazine October. "Not only does President Carter's future hinge on the success of the Camp David summit, but the future of the United States in the Middle East, in Africa and in the Atlantic Alliance."

"The whole world is watching to see what Mr. Carter is able to do and how the polls in America will judge his performance to see who governs the American people, Carter or Begin."

Although failure at the summit will offer Mr. Sadat a way out of direct negotiations and allow him to return to the mainstream of Arab opinion, it will not resolve his domestic problems.

The President has recently clamped down on even the mildest criticism of his proposal to form his own political party, Mustafa Azzam, a doyen of journalistic corps and a staunch champion of Mr. Sadat's liberation programme, has been banned from writing political articles after suggesting that parliamentarians had been over-hasty in joining Mr. Sadat's new party before they had seen its programme.

Mr. Sadat does not face immediate social unrest, however. The economy continues to make slow but sure progress. But failure at Camp David will put the President in an even more abrupt mood towards his domestic critics. Such an outcome would not help him springing out the constitutional tangle his latest reforms have created.

### Beirut Christians suspicious of Israel

BY ISHAN HJAZI

BEIRUT, Sept. 4

AS FEARS increase about a possible military confrontation between Syria and Israel, many Lebanese Christians are expressing scepticism about the value of co-operating with the Jewish state.

According to Western diplomats, many Christians are convinced that Israel has "Christian interests at heart."

Despite almost daily fighting between Syrian troops of the Arab League and the Christians, the Christians are wary of Israel's claims that the Syrians are waging a war of annihilation against Lebanon's Christian population.

A truce which was to have been observed while President Elias Sarkis was in the Vatican for the inauguration of Pope John Paul, was shattered last night when fighting again broke out between the militias and Syrian troops in the Beirut suburbs. Some of the clashes were at Al Hudayd in the central area of Baabda, where the presidential palace is located.

One presidential guard was killed and nine others were wounded when a shell fell near the palace, the militias said. A communiqué by the command of the peace-keeping force blamed the militias.

In artillery exchanges in the southern suburb of Ain el-Rummaneh late last night, eight

people were reported to have been wounded.

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### OTHER OVERSEAS NEWS

#### Thousands may have died in India flood

By Our Own Correspondent

ABOUT 15,000 people are feared to have been washed away by floods in West Bengal in one of the worst disasters in recent years.

Police officials in West Bengal acknowledge that "hundreds of bodies" were seen floating in the swollen Kangsabati and Silabati rivers. The entire sub-division of Ghatal is under water and Ghatal town is under 12 feet of water. The State's newspaper is Calcutta, the West Bengal capital, and the death toll could reach 15,000.

Troops have started evacuating Delhi villagers and the army has been called in to evacuate about 200,000 people from villages near the capital as flood waters of catastrophic proportions, such as the one which reached the Jamuna River.

Following heavy rains, the Jamuna River, nearly 200 miles upstream of Delhi, is already four metres above the 1924 record level of 58.83 metres.

In Delhi itself, the level at the railway bridge may well touch 205 metres—some three metres over the danger level.

Reuter adds: Although the death toll is still put officially at below 100, State Chief Minister Jyoti Basu described the situation as "terrible."

Helicopter pilots bring rescue missions said that thousands of people were perched in trees or on rooftops.

#### Nkomo holds out possibility of more talks with Smith

BY OUR OWN CORRESPONDENT

LUSAKA, Sept. 4.

WITH AN uncharacteristic disregard for diplomacy Mr. Joshua Nkomo, the Patriotic Front co-leader, today issued a harsh attack on President Julius Nyerere of Tanzania, one of Africa's most influential leaders.

Mr. Nkomo also indicated sharp policy difference with Mr. Nyerere by saying that he did not rule out further contacts with Rhodesian Premier Ian Smith.

Mr. Nkomo is apparently angry at Tanzania's role in leaking information about his secret mid-August talks with Mr. Smith and at President Nyerere's statements yesterday that it had not been agreed among the "frontline" group of which the Tanzanian leader is chairman that there would be no further direct contacts with Mr. Smith.

"Who is President Nyerere anyway when it comes to our affairs. He cannot tell us what

to do," Mr. Nkomo said angrily in an interview with foreign reporters. Asked if he would meet Mr. Smith again he replied: "That depends on what conditions. I would do so if Mr. Smith said he wanted to give up and hand over power to the Patriotic Front."

Clearly disputing President Nyerere's version of the present state of Rhodesian diplomacy, Mr. Nkomo said: "Nyerere is not the final authority on what happens in Zimbabwe. We will discuss what next step we can take and that step we think is appropriate we shall take." In the meantime, however, the war would continue.

The Tanzanian leader said in Dar es Salaam yesterday that there had been agreement among the frontline states—Angola, Botswana, Mozambique, Tanzania and Zambia—at a stormy nine-hour summit here last weekend.

that any future peace diplomacy would be conducted through Britain, not directly with Mr. Smith.

But Mr. Nkomo argues that the debate among the now seriously divided black Africans, about their next step is not yet over and will be continued at a further frontline summit in Zambia next weekend.

This seems to indicate that Mr. Nkomo is still prepared to argue to President Nyerere that the secret talks with Mr. Smith did have a chance of success.

Mr. Nkomo said at the weekend that Mr. Smith had told him he was ready for a handover to the Patriotic Front guerrillas—a statement that promptly brought a denial from Salisbury and a return to confrontation in public at least between Mr. Smith and Mr. Nkomo, who is co-leader of the Patriotic Front with Mr. Robert Mugabe.

#### Sudan in debt move with Kuwait

By Alan Darby

KHARTOUM, Sept. 4.

SUDAN, a country with an external borrowing believed to be about \$1.5bn, is seeking to reschedule its debts to Kuwait, payments on which are at present \$50m in arrears.

The Sudanese Minister of Finance, Mr. Osman Hashim Abdel Salam, is to discuss the terms of a draft agreement which has already been drawn up with his Kuwaiti counterpart, Mr. Abdul Rahman Salim El Atiqi during the meetings of the Economic Council of the Arab League which are to take place in Baghdad from September 10 to 11.

The agreement as now drafted would involve a moratorium on all repayments until March 31, 1979. Repayments of principal and interest would then become due to instalments during the period extending to June 30, 1985.

The first three payments, in March 1979, September 1979 and March 1980, would each be \$5m and would all be payments of interest. The first payment of principal would not fall due until 1981.

Kuwait would allow Sudan to grace on the interest accruing throughout the whole period, full interest at the rate agreed at the time each loan was signed on all outstanding amounts of both capital and interest would be charged during the agreed extended repayment period.

Sudan has for a number of years looked towards friendly oil-rich Arab countries as a source of finance for the development of its vast agricultural potential. Against this background and in view of the country's current balance of payments difficulties, which have come about largely because of excessive borrowings for development purposes, the Sudanese Central Bank is known to view the Kuwaiti proposals as unsympathetic.

The Minister of Finance is therefore expected to take with him to Baghdad a strong recommendation from the Bank of Sudan that he negotiate post-ponement of interest payments for several years, rather than the condition that interest be paid on delayed interest.

At the end of 1977, Sudan's total indebtedness to Kuwait was KD 72.3m (\$280m).

#### Moi favourite for new President

BY JOHN WORRALL

NAIROBI, Sept. 4

MR. DANIEL ARAP MOI, Kenya's interim leader, has won a remarkably wide measure of public support for his election next month as President of Kenya, the country's sole political successor to the late President Jomo Kenyatta.

Leadership of Kenya would assure Mr. Moi of the Presidency of the country.

The major grass roots support for Mr. Moi, which has manifested itself in the past few days, suggests that he will be unopposed for the party presidency at the special KANU conference on October 6, called to select a successor to President Kenyatta, who died on August 22.

KANU party branches all over the country big labour unions, industrial, commercial, professional and farmers organisations are among those that have expressed the belief that Mr. Moi is the man best able to continue the stabilising policies of the late President Kenyatta.

Most of the resolutions were passed at meetings held all over the country during the weekend.

Mr. Moi has taken over as caretaker President for 90 days following Mr. Kenyatta's death.

During this period KANU elect a new leader, who will forward as the party's sole candidate in a nationwide Presidential poll.

On Friday the entire Kenyan electorate pledged loyal support to Mr. Moi, who comes from the minority Kalenjin tribe. On day the huge Nairobi-based KANU, in a resolution signed by Dr. Njoroge Mungai, President Kenyatta's nephew, nominated Mr. Moi as the sole candidate for the party's Presidential election.

Mr. Moi had always been considered an opponent of Mr.

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#### KENYA'S ECONOMY Continuity after Kenyatta

BY MICHAEL HOLMAN

"THERE IS a commitment to private enterprise and the laissez-faire system, and no-one is going to rock the boat." Thus responds a senior civil servant to questions on the direction of the Kenyan economy after Kenyatta.

The comment is frequently echoed by many Kenyans, who point out that a new administration's commitment to private enterprise will be reinforced by a system which allows civil servants (apart from the politicians themselves) to pursue business interests.

But most have an important qualification to add. As one businessman put it: "The going was easy, especially land. But now there is nothing more to grab for those coming after us. The crisis of expectations of this group is here already."

The speaker was referring to the categories of backbench MPs ready to articulate dissent, the educated unemployed and under-employed, and the land-hungry in a category of their own. There are those not of the civil service, especially in the Kikuyu tribe, who rightly or wrongly believe that the Kikuyu dominate key posts in government and the private sector, especially in the financial institutions.

All agree that the new president will have three pressing economic issues to tackle—a serious balance of payments deficit, a worrying rate of inflation, and a commitment to increased defence spending which may mean cuts in social services.

Among some Kenyans there is

concern that, in spite of the urgency of these issues, several months of economic drift may lie ahead while President Kenyatta's successor sets about securing his political base.

But most doubt this. Firstly, Kenyatta played a negligible economic role apart from approving basic principles unlike President Kaunda of Zambia, for example, or President Nyerere of Tanzania. Hence his death has little or no impact on the handling of problems which have been occupying the attention of planners and economists for many months.

Further even if—as is being speculated—the experienced and able Minister of Finance, Mr. Mwai Kibaki, were to become vice-president under Mr. Daniel Arap Moi, he would continue to play a powerful role in the ministerial committee on the economy.

A second key policy-making figure, Mr. Durrain Ndegwa, is expected to remain in the post of the Central Bank. Behind these men is a generally capable civil service, especially in the treasury and planning.

Another indicator of continuity is the understanding that the country's development plan for 1979-83 will be published as intended at the end of this year, and there are unlikely to be any changes.

The theme remains alleviation of poverty through efforts to meet basic needs; and the plan includes a commitment to put more resources into the marginal 1977-78, and an expenditure of 75,000 tonnes in 1978-79.

third of Kenya's 14-15m people to introduce more labour-saving methods in an effort to increase agricultural production.

In a country of acute unemployment on land there is considerable speculation about what such measures as taxing land, placing ceilings on the ownership and dividing up remaining large farms.

Officials acknowledge that such measures could be more than their practical impact later, they say, is the Estimates of the national accounts which could be moderated or subverted to 40,000. But even without members to a family, when it is realised that 3.5 per cent population adds some \$60,000 to the nation each year.

Meanwhile the shadow of the 1978 external payment deficit is expected to be a 250-300m, more than double the 1977-78 deficit. One result is that Kenya expected to draw from the national Monetary Fund SDR 17m first credit this year, rather than the 1977-78 deficit of 1977-78, and an expenditure of 75,000 tonnes in 1978-79.

#### UN appeal for Thai refugees

BANGKOK, Sept. 4

THE NEW United Nations High Commissioner for Refugees, Mr. Paul Hartling, today called on the international community to do what it could to help ease Thailand's refugee burden.

At present camps house over 114,000 refugees who have fled from Thailand, Laos, Cambodia and Vietnam since the Communists took over their countries in 1975.

Mr. Hartling, former Danish Prime Minister, who took over the post early this year, arrived in Bangkok today at the start of a South-east Asian tour.

#### S. African check on work code

BY QUENTIN PEEL

JOHANNESBURG, Sept. 4

ONE OF South Africa's principal labour organisations, the multi-racial Trade Union Council of South Africa (TUCSA), is to monitor how well foreign and local companies are following the fair employment practices laid down by their recently announced codes of labour conduct.

The 230,000-member organisation plans to publish a list of British, U.S. and Canadian companies operating in South Africa who fall under the codes.

and call on its 61-member unions to report back on any which do not keep to their standards. The companies are affected by the so-called Sullivan Code of Conduct, signed by more than 100 U.S. companies, and the code drawn up by the nine EEC member governments.

TUCSA also plans to police the adherence of South African companies to their own code of conduct drawn up by the business-sponsored Urban Foundation. All three codes seek to counter

racial discrimination in employment practices, although the South African code is the most vague, and the European the most specific, seeking as it does to promote recognition of unregistered black trade unions.

The TUCSA move follows a similar plan announced by Chief Gathu Butheni, to monitor the codes, and specifically the suggestion for recognition of black trade unions.

#### China accuses Vietnam as talks resume

BY JOHN HOFFMANN

PEKING, Sept. 4.

THE CHINESE Government has intensified its verbal attack on Vietnam with the public release of a high-level statement accusing the Vietnamese Government of hypocrisy and duplicity.

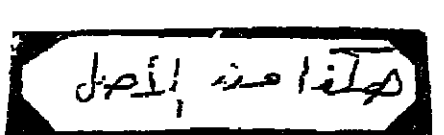
The statement, issued today by the Chinese State Council, denounced the "deliberate engineering" of a border incident on August 25 in which several Chinese civilians were reported killed.

Today's complaint, in stronger language than usual, follows an official government no-government protest which was rejected last week in Vietnam. Hanoi counter-claimed that China was responsible for the incident.

China's version is that hundreds of Vietnamese soldiers and police stormed a settlement of Chinese refugees who were waiting on the Vietnamese side of Yuli (Friendship) Pass near Ping-

siang, in Kwangsi province. At least eight Chinese were killed. Two thousand refugees were stampeded across the border into China.

The talks, appeared to have failed when the Chinese negotiator, Vice-Foreign Minister Chung Hsueh-tung, returned to Peking following the August 23 incident. However, Mr. Chung flew to Hanoi again today and the talks are expected to resume.





# UK official reserves fall to \$16.4bn

BY DAVID FREUD

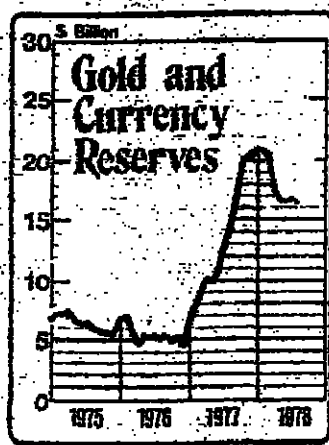
THE UK's official reserves fell last month by \$330m to \$16.4bn, mainly as a result of early repayment of overseas debt and departmental transactions.

Official intervention in foreign exchange markets appears to have been limited to day-to-day smoothing operations, leaving the exchange rate to take the strain of fluctuations in the supply and demand for sterling.

A Treasury spokesman released yesterday said that net loan repayments amounted to \$179m, leaving an underlying fall in the reserves of \$151m. A significant proportion of this drop is attributed to undisclosed official transactions.

Two official loans were repaid yesterday, in line with Government policy to smooth out the repayment schedule due for the 1980s.

A tranche of \$160m was repaid by the National Water Council following repayment of the first tranche in July. The Electricity



\$330m. The National Water Council borrowed \$205m and the Civil Aviation Authority \$12.5m.

Mr. Denis Healey, the Chancellor, said last month that \$4.5bn of foreign official debt would be repaid this year, of which \$3.5bn would be repaid ahead of time.

Sterling fluctuated sharply over the month, mainly reflecting changing market sentiment towards the dollar. Closing sterling/dollar rates varied from \$1.9810 to \$1.9270. At one time in the middle of the month the rate was briefly just over \$2 for the first time since March, 1978.

The changes against the dollar accounted for most of the variation in the trade-weighted index. This fluctuated from 62.2 to 62.7 and ended the month at 62.4 compared with 62.3 at the beginning.

The authorities appear to have confined intervention to smoothing operations in both directions.

# Government is urged to stop ship sales abroad

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

A PLEA for the Government to stem the tide of sales of modern British ships to foreign owners during the shipping slump came yesterday from Reardon Smith, one of the hardest-pressed British shipowners.

Reardon Smith, which reported a pre-tax loss of £12.4m on a pre-tax turnover of £22.6m, said it was "very concerned" that the sale of modern bulk carriers to foreign owners would be "forced to dispose of the sister ship, Welsh City."

The company's annual report, published yesterday, disclosed that the book value of Reardon Smith's fleet has been reduced by £8.5m in the expectation of more forced sales at depressed BEIRT prices.

Mr. C. R. Chatterton, the company chairman, says the group has agreed with its bankers a "gradual reduction in pearing" which will involve selling more assets, restricting on capital expenditure and only looking at dividends and adjustment to

security supporting loans.

Reardon Smith recently agreed with its bankers, which the end of the Government ship debt moratorium plan, a re-scheduling of loans.

Mr. Chatterton writes that in view of the importance of the shipping to invisible earnings the Government should ensure that the sale of ships at depressed prices to foreign owners does not continue.

This year the British fleet is thought to have suffered a net reduction of about 60 ships.

**Brief resurgence**

The amount of world shipping laid up because of the chronic depression in the industry decreased slightly last month as some owners reactivated vessels to take advantage of a brief resurgence in oil-tanker freight.

Figures from the General Council of British Shipping say 9 per cent or 56,500 deadweight tons of the world fleet was laid up at the end of July, a reduction of 0.5m dwt on the previous month.

The UK fleet continues to show above-average lay-up figures. At the end of July, 11 per cent were idle, an improvement on the record 13 per cent at the end of June. Again, changes in the tanker market account for most of the pick-up.

Sweden continues to be the worst affected of the major maritime nations, with 35 per cent of her fleet laid up by weight, followed by Norway (29 per cent) and Denmark (24 per cent).

The improving trend in the latest statistics is unlikely to be maintained, as oil-tanker freights have slipped back from the higher levels in early August. According to shipping sources in London, a revivification of tonnage in response to these better rates has virtually ceased.

# Olympic TV bill may be £500,000

BY ARTHUR SANDLES

BRITISH TELEVISION may have to pay £500,000 to the European Broadcasting Union for the rights to cover the 1980 Olympic Games in Moscow. The EBU is reportedly paying £3m to the Russians for overall rights and basic services for an area covering most of Western Europe and North Africa.

The UK figure, which will be paid mainly by the BBC, is about the same as for the 1976 Olympics in Montreal and might be seen as remarkably low.

NBC, one of the American big three networks, has never confirmed that it is paying £400m for the U.S. rights although the company has insured against cancellation of the Games to the tune of £20m on the London market for a premium of £1m.

On top of the basic rights fee, companies have to pay for their own individual coverage, which amount add £200,000 to the BBC bill.

In 1976 the BBC broadcast 130 hours of Olympic television, about half of it live coverage.

# Consumer spending rise 'to continue next year'

FINANCIAL TIMES REPORTER

THE RISE in consumer spending will continue through 1979, according to the leading Centre for Forecasting, the independent economic forecasting group.

In its quarterly publication, Planning Consumer Markets, the centre says that consumers are trading up and becoming more inclined to buy essentials.

It warns retailers to ensure adequate stocks in readiness for tax rebates in November and the

increase in children's allowances next April.

The centre forecasts that the rate of inflation will stop falling later this year and that April's Budget will include more tax cuts. However, savings are likely to remain high.

Companies making children's goods are advised to take notice of the decline in the birth rate and to seek opportunities for trading up and for export.

# Tennis sponsors vie for control

BY JOHN BARRETT

BRITAIN'S summer tennis circuit next year is threatened by a behind-the-scenes power struggle that erupted in New York yesterday.

Following the withdrawal of John Player and Sons from sponsorship of the men's Grand Prix tournament during the week of 11th to 17th June, the Men's International Professional Tennis Council, meeting in the city during the U.S. Open, has sanctioned two events on grass for that week.

The first would be a \$100,000 three-star Grand Prix tournament, sponsored by Courtlaids, which has been playing at Nottingham where there has

traditionally been a tournament of Courtlaids. Knitwear, explained that he had had preliminary discussions with Mr. Briner, executive director of ATP, who is also the chairman of the Men's Pro Council.

Mr. Clark said that Courtlaids would not run in competition with another event during that week so that if agreement with ATP were not reached, his company would withdraw.

According to Mr. Briner, the first option of ATP is to seek agreement with Courtlaids. "This is not a financial problem," he said. "But having worked for five years to develop a successful event, we are not about to dis-

appear.

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# ICI will spend £21m more on soda ash plants

By Kevin Dove

IMPERIAL Chemical Industries is to invest a further £21m at its soda ash plants in Cheshire.

The investment forms an important part of its plans to spend more than £80m in the next three years to modernise and replace ageing plant at the three soda ash works at Lostock, Warrington and Walsley.

ICI is a near monopoly supplier of soda ash to UK chemical plants. Its total production capacity of about 1.4m tonnes. Slack demand this year, especially from the glass industry, has meant that plants have been working at only about 85 per cent of capacity.

However, ICI is engaged on a major programme of investment in this sector to revitalize its manufacturing base. The average age of plants for its soda ash plants is 25 years old, but some parts of them are more than 50 years old.

The company is spending £25m a year for the next three to four years and expects to continue with a high level of investment in the sector after 1981, provided that there is an adequate return.

In April this year ICI was given permission by the Price Commission to increase its soda ash prices by £3.50 per tonne, following a six-month investigation into its price application.

An attempt by the Commission to hold back soda ash prices temporarily was overruled by Mr. Roy Hattersley, Prices Secretary.

The company said that any temporary restriction "would have cast doubt on the justification for the substantial investment planned for this product."

**Reliable**

However, the capital expenditure programme is going ahead. Of the latest investment, £15m is to be spent on the Walsley works, for new building, modernisation and the replacement of obsolete equipment.

The construction work should lead to more reliable production of soda ash at lower cost, and more efficient use of energy, ICI said.

It was also expected to help maintain the company's competitiveness, particularly in export markets. Fifteen per cent of sales go overseas, where it is being met from soda ash produced in the U.S. from natural alkali deposits.

About £3m is being spent on the Lostock factory and a further £3m is expected to be sanctioned later this year for the Warrington works.

# Euro Exhaust receives £500,000 from ICFC

BY TERRY DODSWORTH

EURO Exhaust Centre Holdings, one of the fastest-growing exhaust fitting chains in the UK, is to receive a £500,000 medium-term loan from the Industrial Commercial Financial Corporation to help with its expansion programme.

The loan marks a change from Euro's normal method of funding through the banks. The company said yesterday that the ICFC money was being taken up over a 13-year period because it had been offered at a very "keen rate."

Euro is in the process of a further development of its UK network which will take the number of outlets from about 60 to 80. It is also expanding on the Continent, where it

already has eight depots in Holland and Belgium, and plans are well advanced for its first German outlet.

The company was launched in its present form in 1973 by Mr. Alec Merritt and Mr. Bob Morton. Mr. Arthur George, purchasing director, is another significant shareholder, and about 10 per cent of the equity is distributed to staff.

Mr. Merritt's involvement in the quick-fit exhaust business began with the development of a chain of centres which were sold to Standard Tyre in 1971 for £1m. All the present company's developments are on freehold or leasehold sites, unlike some of its competitors, which are based on franchise operations.

Labour MP for Stoke Central, Sir Charles Villiers, gives a "firm assurance" that the men employed in the rolling mill are part of BSC's long-term strategy. The report, he said, contained "inaccurate comments."

Iron and steel making at the plant ended in June, when 1,600 jobs were lost. Full-scale severance pay negotiations between the Corporation and the TUC steel committee begin next week.

In a letter to Mr. Robert Cant, chairman of the British Steel Corporation, he denied reports that the remaining 600 jobs at Shelton Iron and Steel Works, Stoke-on-Trent, will be lost.

The rumours began when a confidential British Steel report, which has since been withdrawn and amended, fell into the hands of union leaders.

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# Boeing jets could bring in millions for UK companies

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH COMPANIES could win orders worth some hundred million pounds over the next 10 to 15 years on the new Boeing family of jet airliners.

This is in spite of the fact that the nationalised British Aerospace Group does not at present intend to take up the original offer from Boeing of collaboration on the 737 airliner development programme.

Mr. Malcolm Stanger, president of Boeing said at the Farnborough Air Show yesterday that Boeing would need partners and suppliers for all three of its new family of jet airliners. These are the 737 twin-engine narrow-bodied and 747 twin-engine wide-bodied short- to medium-range airliners, and the 777 three-engine aircraft.

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# New R-R titanium fan blade unveiled

By David Fishlock, Science Editor

THE HOLLOW titanium fan blade, developed by Rolls-Royce as an alternative to the carbon fibre fan blade which failed to meet the company's own specifications for the RB 211 turbo-engine in the late 1960s—and helped to bring about the collapse of the company—makes its public debut at the Farnborough airshow this week.

The new fan blade, if it replaced the solid titanium forgings at present used in the RB 211 engines, would be cheaper to manufacture and would reduce fuel consumption by at least 1 per cent.

This alone is a powerful incentive to airlines faced with the likelihood of rapidly rising fuel costs.

Rolls-Royce is not committing the resources—estimated at several million pounds—needed to manufacture the hollow fan blade until there is specific airline demand, but it has undertaken to make blades for demonstration engines.

The new blade, which spins at 6,000 revolutions per minute, and each of which dissipates over 1,000 hp, is bigger than its forged counterpart. It is made from chemically milled titanium sheet, brazed with a titanium honeycomb filling.

**Obstacle**

The saving in weight from using the blade in the RB 211-22B engine would be 134 lb per engine.

But the obstacle to introducing a novel form of such a critical component, especially in view of the company's experience with carbon fibre blades, is the risk of an unforeseen problem with a relatively untried material.

Confidence in the forged titanium blade is now high—particularly since an incident last month when a 6 lb vulture was ingested by an RB 211 engine over California without damage to the engine.

The carbon fibre blades had failed to meet the Rolls-Royce specification that the engine should be able to ingest a 4 lb bird without damage.

robot. His faith lay in the idea of having a man "in the loop" on the surface but provided through electronic systems with all the feelings of being on the spot.

Already the engineer had demonstrated, with his development of logic, data processing and presentation systems, that there were no engineering limitations to a solution to such problems as the remotely controlled deep-sea diver. The basic problem lay in understanding man himself better, in order to get the best performance out of the man. And here, said Sir Hermann, "we have not quite scratched the surface yet."

But a better understanding of man was not without its own dangers, he warned. Today we could shrug off the efforts of the advertising industry to influence us because its effectiveness was "rather modest." But that was because it did not understand the human mind at all well. Once it did, its ability to manipulate the human mind could be very dangerous.

to tackle any situation which might be foreseen.

But his scepticism about human foresight made him doubt how far one might develop the

Sir Hermann, who joined the department after six years as chief scientist at the Ministry of Defence, brought with him ideas for phasing out a role he believes is already too dangerous and bound to worsen as offshore operations move into deeper and rougher waters.

Once perfected, the ideas for remote control of offshore operations—from routine inspections to tackling a blowout—could save lives and money elsewhere in the energy sector, for example in coal mining. But the ideas, Sir Hermann believes, should first be worked out in the sea rather than coal seams, since the mortality rate among divers is about 10 times as great as that among UK coalminers.

Sir Hermann, in his opening address to the International Congress of Aerospace Medicine in London yesterday, said there were two possible ways of replacing the diver. One was to devise a robot, adaptable enough

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## HOME NEWS

## Restrictive practice agreements rise to almost 300

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A FURTHER 13 restrictive practice agreements in the construction and road building materials industry were yesterday put on the Office of Fair Trading register of restrictive practices.

This brings the total number of restrictive practice agreements in the construction industries to almost 300. It is believed that over a 1,000 unlawful agreements may exist and will eventually be put on to the register.

The agreements registered yesterday were nine for the pricing and supply of dry and coated stone materials, and four in the supply of "blacktop" road surfacing.

The nine stone agreements cover 31 new parties and broadly involve companies colluding on prices and specifications as well as allocating specific geographical areas of business.

The four new blacktop agreements bring the total to 120, relating to coated limestone and hot rolled asphalt.

Although the agreements were formally put on the restrictive practices register yesterday they have already been ended by the companies involved. Under the Restrictive Trade Practices Act, companies can register agreements and then continue with

## Machine tool industry 'not a lame duck'

By Our Industrial Staff

THE MACHINE tool industry does not deserve its "lame duck" image says a report published yesterday which analyses the performance of 80 of the leading companies over three years.

If the State-owned, trouble-hit Alfred Herbert is excluded, profit margins were 3.8 per cent, 5.6 per cent and 6.9 per cent in the three years ending October 1977. The industry's real weakness, states the report from ICC Business Ratios, "is its erratic yearly performance at the individual company level." Only five companies achieved a rate of return on capital consistently above 15 per cent.

During the 1975-77 period, the value of the 80 companies' sales rose 42.9 per cent. The total is depressed by the inclusion of Alfred Herbert which accounts for about 16 per cent of it and which achieved an average sales growth rate of only 12 per cent. The size of Herbert also affects the return on capital statistics. With Herbert included the 80 companies made an average return of 2.1 per cent, 1.3 per cent and 10.5 per cent over the three years.

When Herbert is excluded, the figures are 7.2 per cent, 11.7 per cent and 13.7 per cent respectively.

The report also illustrates the reduction of capacity in the industry. This is partly shown by the drop in the number of employees—by 2,000 to 12,200 over the three years—among the 80 companies. For the industry as a whole the reduction was from a peak of \$1,000 in 1971 to just over 50,000 today.

The total fixed assets of the companies reviewed showed a 17.5 per cent increase over the period, a rate substantially below the rate of inflation.

Machine Tool Manufacturers, 84 City Road, London EC1Y 1BD.

## Courtaulds to hold £50,000 tennis contest

COURTAULDS Knitwear announced yesterday plans for a £50,000 international tennis tournament to be held in Nottingham between June 11 and 17 next year. It is to be called the Courtaulds Knitwear International and played at the Nottinghamshire Lawn Tennis Association's headquarters.

The three-star Grand Prix event will count as part of the Colgate Grand Prix tournament and is expected to attract the world's leading stars, including Björn Borg and Jimmy Connors.

Courtaulds, which employs 13,000 people in the Midlands, plans to use its companies to design a collection of tennis sportswear for the tournament.

## Candidate for Cardiff West

DR ALUN OWEN has been chosen by the Welsh nationalist party, Plaid Cymru, to contest Cardiff West against the Speaker of the House of Commons, Mr. George Thomas, at the next general election.

Dr. Owen is head of the science department at Rhydolfen School, Pontypriid, Mid Glamorgan. His candidature represents a break with tradition as the Speaker is not usually opposed.

## Science awards

FIVE ROYAL Society Leverhulme Studentships have been awarded for 1978. The awards are to enable young scientists and graduates of high quality from British universities to gain practical experience of scientific problems in countries outside Europe and North America. The studentships are financed by grant from the Leverhulme Trust Fund.

## Britain 'needs more research scientists'

BY DAVID FISHLOCK, SCIENCE EDITOR

STRONG PLEAS for an increase in scientific inquiry and for more researchers were made by Professor Dorothy Hodgkin in her presidential address to the British Association for the Advancement of Science in Bath last night.

Prof. Hodgkin, speaking in Bath Abbey at the start of the annual meeting, said Britain compared poorly with its main trading rivals for numbers of research scientists.

The U.S. had 25 research scientists per 10,000 population, Japan 23, West Germany 19, France 11, and the USSR 38. But Britain had only 10 per 10,000 people.

War-time experience, she said, showed that "many unexpected people could do skilled scientific work if suitably trained and selected." Britain needed to draw more young people into research—and more women.

Prof. Hodgkin, a fellow of Wolfson College, Oxford, won the Nobel Prize for Chemistry in 1964 for her use of X-ray crystallography in unravelling the structure of complex molecules.

She quoted one of the founders of the British Association for the Advancement of Science as foreseeing the need for a new, more broadly-based society to give a stronger impulse and a more systematic direction to scientific inquiry.

In her address on Discoveries and their uses, she reviewed a



Professor Dorothy Hodgkin

number of seminal scientific discoveries—penicillin, the structure of insulin, the electron microscope, X-ray crystallography, and the Babbage calculating engine.

"New beginnings have come from anywhere and everywhere, often unexpectedly," she said. "Often very important discoveries have been made by the young as almost their first piece of research."

But some critical advances were made by the old—and she cited as an example J. J. Abel, who first crystallised insulin at the age of 67.

Prof. Hodgkin quoted a recent statistical evaluation of the scientific papers which had contributed to a series of advances in clinical medicine. Of the 529 papers, 62 per cent were reporting "basic research."

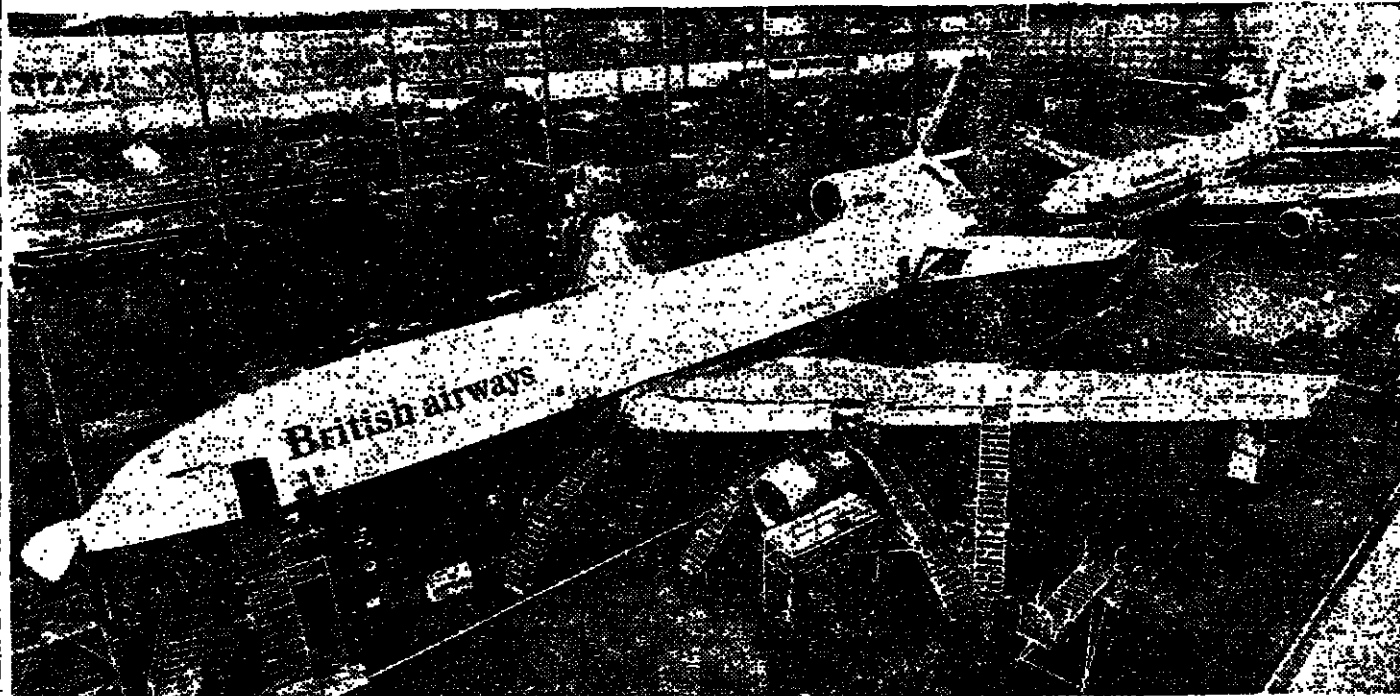
A general conclusion was that a generous proportion of a nation's expenditure on biomedical research should be devoted to long-term research on how living organisms functioned.

In general, basic research paid off twice as handsomely as all other kinds of research and development combined.

Prof. Hodgkin continued: "If we think of the junes of research I have outlined in terms of we come to much the same conclusion. Take the case of insulin in treating diabetes. It is effective, it keeps patients alive. There are ways in which its day-to-day operation could be improved."

"But its use is at best very painful, imperfect medicine. If we knew in all fundamental detail how insulin acts to control our metabolism we might be able to devise far better methods for treating the different disorders associated with diabetes, blindness for example, which insulin injections only very imperfectly control."

"With the growth of scientific knowledge we seem to have come a very long way. For a moment we stand amazed and delighted until we start to think of how much more we should like to know."



Ashley Ashmole

WORK IS nearing completion on the first Series 500 long-range version of the Lockheed TriStar airliner at the U.S. company's Palmdale, California, assembly plant.

The Series 500, (pictured) is intended for British Airways, and is expected to be rolled out of the plant in mid-October.

It will be capable of carrying more than 24 passengers over distances of more than 6,000 miles, making it able to fly non-stop between London and such cities as Johannesburg, Rio de Janeiro and Los Angeles. The aircraft uses the latest version of the Rolls-Royce RB-211 engine, the Dash 524B, with over 50,000 lbs thrust.

## Car auctions to be held at motor show

TWO TOP auction companies will hold used car sales at next month's motor show at Birmingham's National Exhibition Centre.

British Car Auctions, in conjunction with Christie's, the fine art auctioneers who regularly hold specialist motoring sales, will be exhibiting in two huge marquees.

Auctions will be held at Birmingham on October 25 and 27.

Christie's will hold a vintage car auction on October 23.

## More lorry load danger tests

BY LYNTON MCILAIN

REGULATIONS to road-test vehicles carrying dangerous loads more often are expected to be introduced from January 1, Mr. William Rodgers, the Transport Secretary, said yesterday.

Mr. Rodgers wants to reduce the period between tests for roadworthiness from a year to six months as a safety measure before comprehensive regulations are introduced under the Health and Safety at Work Act.

The road-testing regulations would cover lorries and tankers over 10 tonnes gross weight which carry, or carry a prescribed list of inflammable liquids and gases or toxic cases.

These materials are those considered the most likely to cause a major incident. Mr. Rodgers will consult interested bodies before finalising the proposed regulations.

The move to strengthen control of hazardous tanker loads comes after 150 people were killed when a pressurised propylene liquid gas tanker exploded outside San Carlos, Spain, in July.

The Transport Department said last month that there would be consultations on a further

## Minister backs co-operative

FINANCIAL TIMES REPORTER

THE CONCEPT of a fishing co-operative being set up at Milford Haven to save the travelling industry at the last commercial fishing port in Wales received the support of Under-Secretary, Mr. Alec Jones Welsh Office yesterday.

At the end of 90-minute talks with the Pembrokeshire Labour Party's industrial subcommittee, which has put forward the scheme, Mr. Jones expressed enthusiasm for a plan he described

as the only one that met the Milford industry's needs.

The constituency Labour Party's concept is that the port's dwindling fleet can be kept at sea by giving skippers and crews a chance to buy the boats on which they make a living.

Control of the fleet would be transferred from the trawler owners to a fishermen's co-operative, with the Government providing financial backing.

Today, the White Fish Authority will start compiling a report for the Welsh Office on the viability of the Milford industry.

This report, together with the Labour Party's proposals, will be considered together by the Welsh Office to decide whether financial aid can be provided for the co-operative scheme.

## Tories hope for Brecon win after Liberal row

BY ROBIN REEVES, WELSH CORRESPONDENT

CONSERVATIVE hopes of winning the Welsh marginal constituency of Brecon and Radnor from Labour at the next General Election have been boosted by a major row in the local Liberal Party.

The Welsh Liberal Party's executive committee has decided to expel the local Liberal Association because of its decision not to fight the seat.

Instead, it is backing the Brecon and Radnorshire Liberal General Election Committee, a breakaway group formed by local members wanting a contest.

In the October, 1974, election, Mr. Gerwyn Roderick, held the seat for Labour with a majority of little more than 3,000 over the Conservative candidate. The Liberals polled over 7,500, or 17.5 per cent of the vote, in a four-cornered fight.

Even before the Liberal row, Brecon and Radnor was regarded by the Conservatives as offering the best hope for interesting their representation in Wales.

The Tory candidate is Mr. Tom Howson, cousin of Mr. Emylyn Howson, Liberal MP for the neighbouring Montgomery constituency.

## Island in Orkney for sale

PAPA STRONSAY, a small island in Orkney, is up for sale. It is situated in the North Sea 20 miles from the county town of Kirkwall, and lies alongside the larger island of Stronsay whose population is 400.

Papa Stronsay itself, which is uninhabited, is less than a mile across. On it stands just one stone-built house and there is a pier and also a freshwater loch.

The 156-acre island is owned by a Shetland farmer, Mr. Brian Anderson, of Lerwick, and is used for grazing sheep. At one time it was busy during the herring season but now huts of the former fish-curing station are derelict.

One of the Earls of Orkney in the Norse period, Rognvald Brusson, met his death on Papa Stronsay one night in December 1046—betrayed by the barking of his pet dog.

## Train to seek new industry for Irvine

IRVINE NEW TOWN, Ayrshire, has hired an exhibition train in a bid to attract new industry.

The train, which features exhibitions by 25 of the 170 Irvine companies will visit Manchester, Nottingham, Birmingham, Coventry, Slough, Reading, Beckenham, East Croydon and Southampton over the next ten days.

Before the train sets off on its campaigning journey, Irvine Development Corporation's chairman Mr. Forbes Macpherson announced that the corporation is to build three factories costing a total of £1.5m.

## HMSO move

THE HEADQUARTERS of Her Majesty's Stationery Office, under its controller, Mr. B. M. Thimont, is to move from London to Sovereign House, Botolph Street, Norwich, next Monday.

## Imperial Tobacco survives price war

By Our Consumer Affairs Correspondent

IMPERIAL TOBACCO, which owns the John Player and W. D. and H. O. Wills brands, believes it has weathered the worst of the price cutting war launched by BAT Industries and its State Express brand earlier this year.

Imperial's market share through its two subsidiaries had slumped earlier this summer to about 54 per cent, down from 62 per cent a year ago according to trade sources.

But since then, Imperial estimates its market share has increased by several percentage points to re-establish its place as market leader.

The price-sensitive market for cigarettes has been upset since BAT earlier this year launched its State Express 555 brand at a heavily discounted price. However, from the middle of this month the price will go up to 55p for a packet of 20, bringing it more in competition with the other king size brands.

Meanwhile, the action on Smoking and Health pressure group (ASH), yesterday reminded smokers that those smoking higher-tar cigarettes will have to pay up to an extra 7p in tax. This had been announced by the Chancellor in his April Budget. Ash believes that the higher prices will force smokers to adopt lower-tar cigarettes.

## EEC 'needs community spirit'

Financial Times Reporter

THE EUROPEAN Economic Community will survive only if it steers through economic crises as a community rather than as a national basis, Sir Con O'Neill, who was Britain's top negotiator for EEC entry, said yesterday.

Sir Con, who as well as leading negotiations for EEC entry from 1969 to 1973, was also director of the British in Europe campaign from 1974 to 1975, said that the EEC was "too important to all its members for any of them to leave or destroy it."

He said: "Worsening economic crises might threaten the EEC, but only if national pressure for trade protection takes precedence over community action."

Speaking at the 31st annual congress of the European Society for Opinion and Marketing Research, Sir Con said three major factors would condition the development of the community: the directly-elected European Parliament beginning next June; extending the EEC to Greece, Portugal and Spain within the next five years; and the development of Economic and monetary union.

The next decade would bring more non-economic policies in international affairs to the Community—European defence being one of the more important facets, according to Sir Con.

The Community moves slowly, he said. "Any move will move more slowly still when there are 12 instead of Nine. But it is right that it should move slowly... and move it will continue to do in the 1980s."

## Home schemes started

AN IMPORTANT landmark was reached in Northampton's expansion yesterday when work began on the first housing in the town's southern development area.

Two schemes, providing more than 600 rented homes, started simultaneously at Briar Hill and Camp Hill. Although some roads, sewers and street lighting have already been laid, this marks the beginning of the area's building programme.

Briar Hill, which will have 302 homes, will be on a site close to existing borough council housing, and will be built by Holland, Hannen & Cubitts (Midlands) Ltd. Camp Hill, with 294 homes, will be built by Robert Marriott, the Rushden-based member of the French Kier Group. The two schemes together represent contracts worth about £7m.

## Provincial office rents steady

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

PROVINCIAL OFFICE rents have hardly changed in the past two years, according to a survey by leading London investment surveyors Jones Lang Wootton.

The survey says that it is now impossible to build a provincial office block in cities where rents are less than £450 a sq ft and a square foot.

Published yesterday, the survey shows that of all the major provincial office centres only Leeds and Reading now meet this building cost criteria.

## Liverpool port profits fall to £1.78m

BY RHYD DAVID, NORTHERN CORRESPONDENT

THE CONTINUED world recession has caused a sharp fall in profits at the port of Liverpool—down in the first six months of this year to £1.78m before tax, compared with £3.26m in the same period last year.

A further marked downturn in the second half as a result of various trading factors and the cost of voluntary severance schemes now being put into effect, is now forecast for the second half by Sir Arthur Petersen, chairman of the Mersey Dock and Harbour Company.

The main problem continues to be a shortage of general cargo, with ports throughout Britain fighting for a share of diminishing trade.

The specialised grain and timber terminals in the new Royal Albert dock complex, and the fourth dock complex, are also continuing to rise.

Throughput is currently estimated at about 130,000 boxes a year, compared with a breakeven target of 160,000. The port is hoping a further boost to its container trade can come through the building of a rail link to the nearest container railhead at Garston in the south of Liverpool.

A request for government aid towards this prospect is being examined by the Department of Transport, and it is hoped a decision will be made within the next two months.

The first half was also helped by higher than expected oil shipments through Shell's terminal at Tranmere, as a result of difficulties the oil company is still experiencing at its Anglesey terminal. This is not expected to continue at the same levels in the second half, however.

Total operating revenue at the port in the first half came at £32.1m, against £30.7m in the first half of 1977 and £32.7m last year as a whole.

## Rewards in offering for oil innovators

BY OUR SHIPPING CORRESPONDENT

AT LEAST half the undiscovered oil in the world is underwritten by big rewards to manufacturers and designers in the offshore field, a senior British Shipbuilders executive said yesterday.

Mr. Jolyon Sloggett, who is responsible for British Shipbuilders' marketing in the offshore world, said that the rewards would go to the innovators and those who took the opportunities now appearing would benefit in the future.

Mr. Sloggett, who was opening the third international offshore craft conference in London, said the offshore exploration moved into deeper and more difficult waters, new types of hardware would be needed.

Fixed platforms, for example, would be replaced by floating structures, supply craft designs would change dramatically and if a suitable passenger carrying vessel would be developed it would find a ready market. British Shipbuilders, meanwhile, expects to announce in this month a long-awaited contract for two container ships for Bank Line and Furness Withy for their New Zealand service. These contracts are likely to go to Smith, Teesdale and Swan Hunt Tyneside.

## Institute joins working party

THE INSTITUTE of Chartered Secretaries and Administrators has accepted an invitation from the Department of Trade to join the Advisory Working Party Europe, which will consider main issues likely to arise during negotiations on the EEC draft Seventh Directive Group Accounts.

Among the other organisations invited to join the working party are the Institute of Chartered Accountants, and the Bank of England.

## Ebbw Vale factories offer 250 new jobs

BY OUR WELSH CORRESPONDENT

EFFORTS to attract new jobs to Ebbw Vale, the south Wales valleys' town hit by British Steel's closure programme, are paying off. In the past few days three manufacturing companies have decided to take up Government advance factories in the area, which should eventually provide a total of 250 new jobs.

LCR Components of Tredegar, which supplies the electronics industry, has bought from the Welsh Development Agency a 40,000 sq ft factory at Williams town where the company expects to employ about 200 people as part of the expansion of its plastics division.

A 10,000 sq ft advance factory at Brynmawr has been let to Delmar Tuboform—a newly-created subsidiary of Delmar Rubber and Plastics of Crawley—which will make flexible expanded polyethylene extrusions for insulating. Employment at the factory is due to build up to 35 people after three years.

Hugh Phillips Engineering of Abergavenny, which manufactures parts for steam engines and exports them all over the world, has been allocated a 50 sq ft advance factory, Tafarnbach, in order to expand.

About 2,000 steelworkers were made redundant at Ebbw Vale earlier this year under British Steel's programme of accelerated steel closures in an area already suffering above-average unemployment.

## £8m. scheme at colliery

THE National Coal Board's yesterday that approval has been given for the second stage of development project, costing £8m, at the Ebbw Vale colliery, which has reserves to last about 50 years.

The first phase of the 34-year programme was completed in 1974 and now a £3.7m scheme to drive a third tunnel into the Parkgate seam has been approved by the board.

## Opencast mining protest

PROTEST GROUPS in Cumbria in existing coal output already exceeds demand.

The groups want MPs to put lack of compensation for reduction in quality of life and risk to property, and the overruns of the findings of the Energy Secretary.

## Concorde passes landing test

THE Civil Aviation Authority has cleared British Airways' Concorde to land with automatic equipment in poor visibility down to 250 metres. The aircraft to the runway was completed at the end of last year.

Surveys of office rents in the major provincial offices, Jones Lang Wootton shows that Nottingham, at between £2 and £2.75 a sq ft, remains the cheapest city for accommodation.

Birmingham, Bristol and Manchester have rents of £2.50 a sq ft and the highest, £4 in Cardiff, £4.75 in Leeds, and £6 in Reading, the favourite London relocation centre.



A high-contrast, black and white photograph of a young man with dark hair, wearing a light-colored shirt, looking directly at the camera. He is resting his head on his hand, which is propped up. The image is framed by a thick black border.

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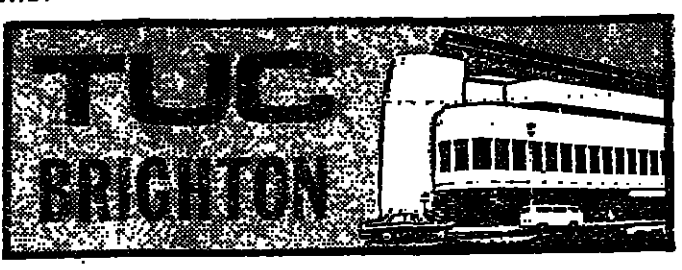
# Basnett urges unions to back Labour in a future election

BY PAULINE CLARK, LABOUR STAFF

THE ANNUAL Congress of the TUC opened with a rallying call from its president for solid trade union allegiance to the Labour Government in any coming election.

While making clear his concern that Labour should be the caretaker of future North Sea oil revenues, Mr. David Basnett, the president and also general secretary of the General and Municipal Workers' Union, hoped that the party's leaders would prove to be guardians of his own social and economic strategy proposals.

Mr. Basnett, who this year led a public sector campaign for a Government commitment to an expansion of public services, launched into a scathing attack on the Tory Party, for what he described as its plans to use oil revenues to extend "private privileges."



But there should be no conversion on the opportunities presented by the change, as much as on the problems.

Many of the jobs which trade union members were doing at present were unpleasant and unfulfilling.

A technology which liberated people from this needed a positive approach and it offered an opportunity for increased leisure, which should be recognised straight away.

"The test of our desire to find a solution to the unemployment problem must be the degree to which we give priority to the shorter working week and the shorter working year in our negotiations."

Mr. Basnett said that there was a need for society to consider fundamental changes, which would take account of the fact that there would not be the demand for as many working hours as there had been in the past.

"We need to ensure re-organisation of society so that we give precedents to positive leisure rather than to destructive idleness."

He argued that education should be as much concerned with promoting collective social needs and cultural values as with a preparation for the disciplines of work.

In sharing work we also needed to structure our society and our time so that leisure and education

ties against the development of public services.

He also criticised trade unionists for being too often prepared to trade off the social wage for an increase in the individual's wage packet.

On the opportunities offered by North Sea oil, Mr. Basnett said that the country could either immerse itself in an orgy of self-indulgence or concentrate on the long-term means of creating wealth by regenerating British industry.

He referred to the past failure of British industry to invest enough and to invest in the right places. Industry had invested in the destruction of jobs rather than in increases in output, but there was now a unique opportunity "to take a giant step forward."

Pressure on the captains of British industry and the planning Boards of multi-nationals

should be made at all levels—by the workers through the development of industrial democracy, by State intervention through the National Enterprise Board, by the nationalised industries, planning agreements and the creation of an investment reserve fund.

Mr. Basnett's concentration on seeking mutual co-operation with the Labour Government did not go unchallenged however.

Mr. John Miller, national secretary of the Transport and General Workers' Union, told delegates he was surprised at Mr. Basnett's concern at unemployment and the need to capitalise on North Sea oil when he had said nothing on pay policy.

Mr. Miller said he was relieved to see that a motion from the General and Municipal Workers' Union favoured rejection of any further Government interference in union negotiations or the use of indirect sanctions.

## Motion to revise structure defeated

By Nick Garnett, Labour Staff

AN ATTEMPT to force the General Council to review its structure, again along fairly tight guidelines, which would have meant major changes in its organisation, was defeated.

Both the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers voted against a motion whose effect, if implemented, would have eroded some of the power of the largest unions on the General Council in relation to middle-sized unions.

The motion, put by the General and Municipal Workers' Union, called upon the General Council to reconsider its decision not to alter its structure significantly.

It pinpointed the system of trade groups as cumbersome, it supported a new council structure based on automatic representation for unions with more than 100,000 members, two representatives for those with 50,000 to 100,000 members, right up to five members for those with more than 15m members.

It would have also given representation to unions under 100,000, on the basis of election among themselves on an electoral pattern geared to the size of membership.

The motion was thrown out on a card vote by 6.5m to 5.2m.

Mr. Jack Eades, regional secretary and executive member of the General and Municipal Workers' Union, said that the findings of the General Council's structure review did not logically follow from the arguments it itself set out.

Its decision to retain the present system was a reflection of the "conservatism and paralysis" that sometimes affected the Labour movement.

The present structure of the General Council was indefensible. Referring to the voting of Council members by Congress block votes, half the General Council are wholly elected automatically by nomination from their unions.

It was an irrational system which hit medium-sized unions, resulting in significant unions being deliberately excluded from the council and helped to develop a "client relationship" between smaller and larger unions.

Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, said that a new structure would improve democracy.

At the moment, he said, about one-third of the General Council, principally those in the largest unions established broad policy. Other unions related their interests to it.

The system was undemocratic. On the General Council, those who had to rely on others had to trim their sails. "It's bad for all of us," he said.

## Council told to review disputes code

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TUC General Council was yesterday instructed to conduct a review of its Bridlington procedures for resolving inter-union membership disputes, and report with recommendations to next year's Congress.

During the past two years, the Bridlington principles have come under increasing strain, particularly in the engineering and related industries, where the Engineers' and Managers' Association is fighting against the opposition of other TUC unions to represent senior staff.

Mr. John Lyons, EMA general secretary, complained during the debate that, since 1976, there had been no means of appealing against decisions made by TUC disputes committees.

Decisions from the committees were not random but were developing a sphere-of-influence policy.

It might be that Congress wished to see such a policy, although it would be likely to favour large unions and those presented on the General Council, but, if so, this should be spelt out at Congress.

principles and statutory provisions—the rules should be brought into line with the Act.

The EMA has twice lost at TUC disputes committee hearings, and is challenging these decisions in the Court.

### Motion

The union yesterday voted an amendment to the motion which would have required General Council to inquire while the forthcoming investigation into disputes procedure carried out, there should be use of the existing arrangements to impose industrial unionism on groups like managers, who did not want.

The motion calling for inquiry was moved by Mr. Dubbins, assistant general secretary of the National Ship Association.

He said that the existing procedures were "clearly out of date and did not take account of changes in technology or organisation."

The effects of new printing techniques in the printing industry had been dramatic and was now being produced people who had no trade background.

What was moving away from traditional printing and towards local government, insurance companies and other generally.

This was having many consequences for trade union organisation.

### Discrimination

"Trade unionists want policies which will further the fight against discrimination, inequality and poverty—policies which cannot come from a party pledged to slash public expenditure, support public schools and expand private medicine."

They also need to see that North Sea oil is used to regenerate British industry, a need that cannot be entrusted to a party where responsibility for the historical degeneration of British industry is now allied to their desire to use the oil for tax relief, mainly for the better-off."

On the urgent problems posed by unemployment, Mr. Basnett underlined the need for the Government and trade unionists to get to grips with the advance of technology.

He warned that new technology would mean a loss of jobs at least as massive, he believed, as the first technological revolution meant.

"The test of our desire to find a solution to the unemployment problem must be the degree to which we give priority to the shorter working week and the shorter working year in our negotiations."

Mr. Basnett said that there was a need for society to consider fundamental changes, which would take account of the fact that there would not be the demand for as many working hours as there had been in the past.

"We need to ensure re-organisation of society so that we give precedents to positive leisure rather than to destructive idleness."

He argued that education should be as much concerned with promoting collective social needs and cultural values as with a preparation for the disciplines of work.

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Mr. David Basnett, president of the TUC delivers the opening address.

## Co-operatives chief calls for more unity

BY NICK GARNETT

TRADE UNIONS were heavily criticised by Mr. Harry Bailey, an executive member of the Co-operative Union, for shunning efforts by co-operatives to strengthen the Labour movement.

There was great merit in bringing the three sections of the movement—trade unions, co-operatives and the Labour Party—into a fully unified body to decide policy issues for working men and women.

That happened during the war with the formation of the National Council of Labour. But the idea had not been fostered, and trade unions had, in general, shown the least interest in promoting it.

Workers Co-operatives, said Mr. Bailey, the full-time director of the Co-operative Wholesale Society, could be the answer to the many unacceptable faces of the capitalist system. The Co-operative movement was the nearest thing to socialism.

Although the Labour movement showed signs of not being as united as it should be, it was one and indivisible.

Another fraternal delegate, Mr. Dennis McDermott, representing the Canadian Labour Congress, said that Canadian trade unions were in a serious mood to reduce the working week.

The purpose was not selfish but simply to create extra employment. There would be massive co-ordinated employer reaction to this issue, about which there must be international union dialogue.

The last three years of wage-price controls in Canada had produced such a stern reaction from workers that the Labour movement there had been pushed into the forefront of the national scene.

The Government's latest attempt to tightly control public services had also "radicalised" service workers.

Mr. Glen Watts, representing the American Federation of Labour and Congress of Industrial Organisations, told delegates that economic strain in the U.S. was being felt by everyone.

The immediate outlook for American workers was discouraging, while the greatest danger to the economy was being done by the Federal Reserve Board's policy of tight money supply and high interest rates.

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Mr. Jack Jones, former general secretary of the TGWU (right) with his successor, Mr. Moss Evans (left) and Mr. Ron Todd, the new national organiser of the union at the conference. Conference photographs by Terry Kirk

## Civil servants union merger is outlined in proposals

BY PHILIP BASSETT, LABOUR STAFF

DETAILED PROPOSALS which are expected to lead to a merger between two unions representing most higher-grade civil servants have been prepared to allow an interim merger to take place after the unions' conferences next spring.

A merger between the Institution of Professional Civil Servants and the First Division Association would make the Institution the second-largest civil service trade union, with some 113,000 members.

It would also create a new group strengthening the representation of more than 20,000 senior grade civil servants.

The two unions, which have been moving towards an alliance since January last year, will link together, if as is expected, the conferences of both unions approve the draft proposals now being circulated.

The interim merger, which will last for five years, is expected to be reviewed after three years in operation, when proposals will be formulated for a final merger, if both unions agree.

Under the interim merger, a higher grades committee will be formed to represent the combination's 20,000 members in grades of Principal and above, consisting of six representatives from each union.

Members of the FDA will be eligible for election to the national executive committee of the Institution, which will act as present decision makers on pay (though the FDA will have representative rights in negotiations on pay comparability with private industry), welfare, superannuation and other matters.

The Institution, which passed a motion approving the merger moves at its conference earlier this year, is keen for a merger to strengthen the representation of senior grade civil servants, increase its own status and, most importantly, to create a firm link with the union which negotiates administration grades pay, on which the pay of a large number of institution members is based.

For the FDA, the merger will provide greater resources than its own organisation can give and it believes that a merger would strengthen the lobbying impact of senior grade civil servants, particularly on pay.

A document currently circulating among both unions which sets out the merger proposals points out the number of union-representing higher grade civil servants should be reduced.

The other 4,000 civil servants in these grades are members of the Society of Civil and Public Servants with which, the document says, no merger is foreseeable.

Britain's largest civil service union, the Civil and Public Servants Association, yesterday warned that "a crisis of mental proportions" will occur in the public service unless the Government takes a new attitude to pay and civil service relations.

Mr. Jenkins said that a minority functioning General Council was the backbone of a unified union approach.

The Council had to show that the responsibility placed upon it was related to a fair and logical structure. The Council should be so organised as to take account of the interests of all industrial and white-collar groups, and also reflect the weight of numbers.

Mr. Bryan Stanley, general secretary of the Post Office Engineering Union, said that, if the proposal was adopted, a few unions would not be in a position to dominate affairs. The principal reason why the TUC was against change was that it could not believe that there was a better system.

Mr. Stanley said there was plenty of detail on the science of the changes that had taken place, but not on the social consequences.

The importance of new technology was not being met by trade unionists, he said, but by management or scientists.

Faced with the prospect of many thousands of jobs being wiped out, a balance had to be struck where "hard-headed realism was needed to ensure that there was control on the pace of change and that the benefits were shared by all."

Mr. Stanley was moving a motion carried unanimously by Congress, which called on the TUC General Council to formulate policy on the social and industrial consequences of the growth of automation and computerisation.

It was also asked to support

### Coterie

Over the years certain unions have been described as a coterie, and Mr. C. Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, among others, have been kept off the Council in the past.

The Council did not truly reflect Congress. It was part of a system of voting by a small coterie.

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## Effect of technology on jobs discussed

BY PAULINE CLARK

THE "URGENT" need for Government action to avoid a further massive rise in unemployment from the advance of new technology was made a front-line issue in a major debate on employment problems on the opening day of the TUC conference.

But trade union leaders were also urged to play an important role in combating social problems created by rapid technological advance and in ensuring that society shares fully in the benefits of the change.

Mr. Bryan Stanley, general secretary of the Post Office Engineering Union, warned delegates that the results of technological change in the Post Office should serve as a lesson to all those industries where such advances had still to make an impact.

The "B" has only recently reached a settlement in a protracted dispute over a claim for a shorter working week which, the union "saw" should be introduced as one of the key benefits of new technology in the telecommunications industry.

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actively the development of trade union initiatives in the UK and the EC, designed to combat the social problems to ensure that the benefits of technological advances shared throughout the country.

The motion welcomed creation of a new electronic company by National Enterprise Board, said it was imperative that company had the resources available to fill the opportunities for the benefit of society.

An eight-point programme to the Government and demands for:

- Urgent steps to establish and develop a high-tech development in micro-electronics facilities to meet its needs.
- The development of ward plans on expanding opportunities in areas affected.
- A comprehensive and the employment and social consequences of these advances.
- Consideration of the untalents offered in terms of training and education.
- Training and education to allow the transition to a high technology society proceed smoothly.
- Publicly stated Government concern at the prospect of increasing unemployment and support the union's shorter working week.
- Co-operation with trade unions and government to get an international agreement on the problem.

The General Council was to prepare a draft policy statement for a conference on a problem which would be held in 1979 Congress.

On the special problem of youth unemployment, the conference called for legislation compelling employers to do proportion of their working offices and factories from people in the same way that are now compelled under Register of Disabled People.



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"Help them grow old with dignity"

## Lucas electricians black production equipment

WIDESPREAD disruption among 13 Lucas group factories in the Midlands supplying the automotive and aerospace industries is threatened by a refusal by electricians to operate high production electronic equipment.

The electricians have turned down an extra £2-a-week offer.

About 120 electricians who have been investing in similar solid state equipment, the dispute is likely to set a precedent that could have far-reaching repercussions in the context of the Government's battle for a continuance of a light wages policy.

The dispute has progressed through all sides of procedure, including a meeting of national officers of the electricians' and plumbers' union and the engineering employers' federation.

Mr. Bob Wright, BEPTU divisional secretary, said that Lucas' offer of £2 recognised a six-month further training course by other skilled workers.

As in the Leyland carburettor dispute, their claim has been refused both by their engineering union and the management.

A toolmakers dispute at Lucas Group's Cwmbran factory, South Wales, came to a head over the weekend when the company decided to lock-out the toolmakers from their workshop.

Prior to the weekend, 16 toolmakers at the factory had been working to rule in support of the demand for separate wage negotiating rights.

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## Report critical of provisions for low paid

By Our Labour Staff

THE GOVERNMENT provisions for the low paid in Slaze Four are unsatisfactory, the pressure group the Low Pay Unit says today.

A report from the unit says that the White Paper's allowance of rises beyond the 5 per cent limit up to £44.50 should be increased to £55.

In the report, "The Rising Tide of Poverty," Mr. Frank Field, the unit's director, admits that the TUC's 1974 minimum wage target of £30 has been increased by the maximum amount allowable under incomes policy to £44.50.

But many low-paid workers did not receive the minimum wage, and the minimum pay target should be set again at two-thirds of average earnings, or £55 a week.

## Mr. John Forrester

MR. JOHN FORRESTER, deputy general secretary of TASS, the white-collar staff section of the Amalgamated Union of Engineering Workers, died yesterday in London's West Middlesex Hospital, aged 56.

A member of the National Executive Committee of the Labour Party, Mr. Forrester occupied a political position on the left of the party.

He was born in Glasgow served for 20 years in the Chester area as a full-time official of one of the branches of the Amalgamated Union. He became deputy secretary five years ago.

Mr. Ken Gill, TASS secretary, described Mr. Forrester as "an extremely cheerful character who was absolutely dedicated to the people he represented."

## Lynton Holding

Distributable Profits £564,000—up 20%  
Dividends 12.4%—up 10%  
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Shareholders funds—£17.9 million from £15.9 million  
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Maurice Lambert, Chairman

Copies of the full 1977/78 Report and Accounts obtainable from 1/2 Mason's Arms Mews, Maddox Street, London W1R 6JY.



## COMPONENTS Advanced connector move by Plessey

**W**ITH a number of are five keyway polarisations. Orientation is by movement of the master key to any of those positions.

Mark 25 connectors claimed advantages of reduced weight, volume and power consumption of the equipment and, if one takes into account the fact that a Boeing 747 contains about 6,000 connectors, linking some 150,000 signal paths and requiring about 200 km of wire, any reduction in weight and volume is obviously of major importance to designers and operators.

Mark 25 can operate over temperature ranges from minus 65 degrees C to better than 150/200 degrees C. The units have improved RFI characteristics because solder is eliminated in fastening the grounding spring to the connector. Moulding of pin faces and wire sealing grooves in a silicone compound specially for the purpose gives improved temperature and moisture resistance.

The move has been planned by Plessey to meet European and NATO requirements for advanced connectors. Initially, the units will be available in low silhouette form. Among planned additions are a scoop-proof version, embodying an extended shell for contact protection.

Northampton has a research and development capability which also covers fibre optics and it can call on the Caswell research centre for aid where necessary.

Further details of the Mark 25 series from Plessey Connectors at Kingscliff, Northampton NN2 6NA (0804 712000).

## High-quality tube

**O**BTAIN the accuracy and finish required for the most demanding hydraulic ram cylinders, steel tubes can be machined and ground to the highest standards. This has encouraged the Thomas Try Group to form a new company, Dom Tubes. This will market and distribute in the UK tube manufactured in Italy by TUBITEK, part of the Fiat organisation.

Three grades will be available. Top of the range is TO which is ready for use as hydraulic cylinders. Grade TP is intended for use as pressure applications while grade TO is ready for honing.

The company offers tube, shafting and chrome bar, providing a complete package for hydraulic and pneumatic equipment manufacturers. It is located at Hawksworth Lane, Swindon, Wilts. (Swindon 692202).

## INSTRUMENTS Prevents costly failure

**W**HYTIME in offshore drilling is expensive. Early prediction of an incipient component failure can save thousands of pounds by allowing equipment replacement at a convenient time rather than under emergency conditions. One area where component failure can be particularly frustrating is wire-rope replacement on riser systems.

Strainstall, of Penmark Road, Cowes, Isle of Wight, has come up with a "Ton Cycle Counter," allowing much better prediction of impending failure.

Since the drillship or semi-submersible floats, movement fixed to the seabed cannot be avoided. This movement is counteracted by a heavy compensator, which makes use of wire ropes fitted to the top of the riser. Each rope runs round a system of pulleys and sheaves, with the inboard end connected to hydraulic or pneumatic cylinder which damps down

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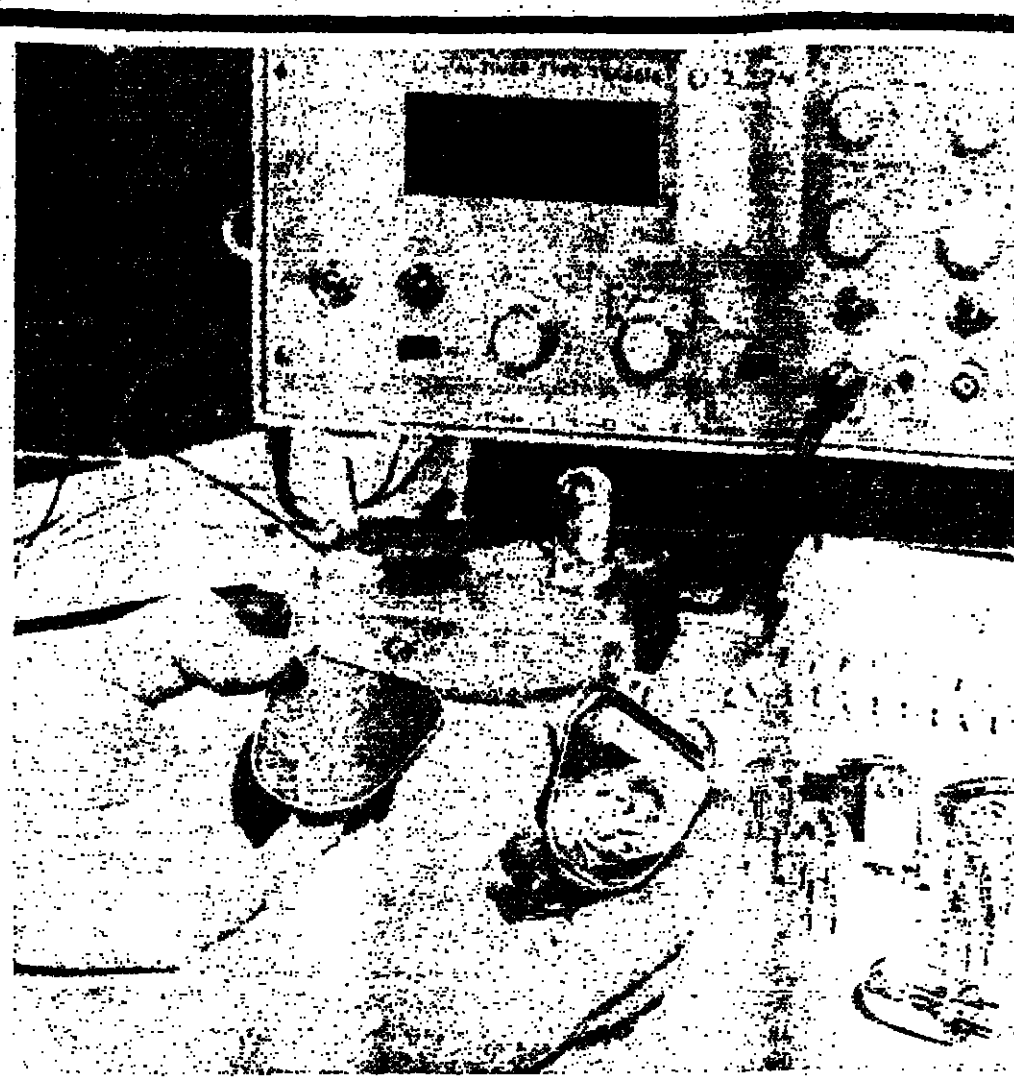
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Assembly at Gravin's Colnbrook, Bucks. of a light-weight ultraviolet flame detector head which is capable of detecting all types of fires and is an essential component of Gravin's fire detection system for aircraft. The unit is able to differentiate from other sources of ultraviolet radiation, considerably reducing the risk of false alarms. Response time, in the event of fire, and operation of associated automatic extinguishing equipment is immediate. Gravin is showing its latest fire detection equipment this week at the SBAC Exhibition and Flying Display at Farnborough, Hants.

## Warns when bearings are starting to go

**E**NGINE health monitoring, particularly in aircraft, is of prime importance in preventive maintenance. A project undertaken jointly between Muirhead Vetric and the Technical Development Company of the U.S. will go a long way towards providing an effective monitoring system for bearings in any type of aero-engine, pure jet, prop-jet or piston.

The device contains two magnetic units, set close together in the lubricant system. Particulate material from bearings which are starting to break up would be entrained with the lubricant and bridge the gap, providing a signal to the pilot.

Provided the particle is below a certain size, the equipment can channel a pulse of power from a capacitor to the point where the particle is lodged and disperse it so that it no longer provides a potential threat to the working bearings.

Also announced by Muirhead is a remote oil level indication system using fibre optics for use in the station.

The company has brought out shaft encoders of advanced specification using an optoelectronic integrated amplifier designed by the company's subsidiary, Photomatrix, subsidiary in Dorchester.

Muirhead already supplies the servo components used in the electric fuel control system of the engines which drive the Tornado and TriStar aircraft and many of the essential elements of aircraft systems for current aircraft and aerospace projects.

In the marine technology area, Muirhead Vetric is collaborating with Brown Brothers of Edinburgh under a U.S. Navy contract on the design and manufacture of a ship's stabiliser control unit in which a microprocessor, working with standard electronic modules, will operate the stabiliser fins to counteract ship-rolling movements.

More on these developments from Muirhead, Beckenham, Kent. 01-850 4888.

## PACKAGING A speedy strapper

**W**HERE HAND strapping is found to be too slow, yet output does not justify a more expensive fully automated flow-line, semi-automatic polypropylene strapping machine is said to be the answer. This comes from Lawco, 80 Vauxhall Road, Liverpool L69 3AU (051 227 1232).

Because of its ratchet flat-bed design, the ESM-1 can offer flexibility to cope with random sizes and shapes of packs, boxes, cartons, bales and bundles. It is also suited to strapping coiled products such as hose, wire, rope and cable, as well as handling items such as garden implements, books, office files, newspapers, mouldings and odd-shaped packages.

The machine is electric and can be used wherever it can be plugged into standard 230/240 single phase voltage.

## Generators for all conditions

**P**ROMISING TO avoid the problems created in high temperature climates where a larger generator sets need to be derated to suit local requirements is a range of 18 multi-environmental diesel powered generators from Trident Equipment, The Airport, Southampton.

For use at home and overseas and covering an output of between 25 kW and 555 kW the Onan generators, 555 the sole UK distributor, will operate at 50 Hz at an ambient temperature of up to 50 degrees C, an altitude of up to 1,000 metres and at 50 per cent relative humidity.

They have been designed and tested under environmentally controlled conditions for specific use in the high ambient temperatures of overseas countries and are rated at 50 degrees C for continuous operation as defined by BS 649 and DIN 6270A, and have the normal ten per cent overload capacity for one hour in every twelve.

A design theme common to all machines is a superstructure which forms the fully protective guard enclosing the cutting area and the wheelhead, access to the cutting area and wheel being through a safety interlocked impact-resistant door. This is set on the heavily constructed fabricated base which incorporates the coolant tank.

Power is transmitted by a multi-vee belt to a precision-ground spindle carrying the cutting wheel. A self-contained hydraulic pack supplies the power for the feed motions, the variable cutting rate movement of the head, the clamps and other optional functions.

The machines differ in their methods of cutting, and in the abrasive wheels which they use. The C1 and C2 have a head that is lowered on twin vertical pillars: the C3 utilises a reciprocating pivoted head action.

## ELECTRONICS Packing many more devices on a chip

**M**ANY OF the companies involved in the manufacture of state-of-the-art electronic devices are spending a very large amount of money on methods of packing "structures" more closely together on the surfaces of silicon chips on which the current electronics revolution is based. This closer packing goes hand-in-hand with reduction of connector width and length, the whole purpose being to speed the signal and reduce power consumption/heat dissipation.

Success in further miniaturisation leads to better performance and greater reliability which are important assets in the unrelenting competition between the major manufacturers.

Philips, which is unquestionably one of the largest, if not the largest, user of electronic devices, has made a major investigative effort on the physical processes underlying the way in which semiconductors work—an area which had not been adequately studied in the mad rush for product in the 10 years to 1976. It has also actively developed new methods of making microscopic components on silicon, involving extensive automation.

Philips research staff at Eindhoven, seeking to get around the barrier of light wavelength which sets a lower limit to present photolithographic techniques of about 4 microns on the side for structures and an alignment accurate to one micron, have built what has been called a silicon repeater, shown below. In actual testing, this has been demonstrated to produce structures of 1.5 to 2 microns with an alignment 10 times better at 0.1 micron.

In contrast with standard optical methods, in which a working photographic mask is brought into direct contact with a slice of silicon covered with light-sensitive lacquer, with the consequent threat of damage either to both the Philips development provides for the projection of a single, enlarged pattern through reduction lenses on to the surface of the slice. This slice of silicon is then moved by what must be among the most precise machinery ever developed, and all under automatic controls, to repeat the circuit pattern.

Unconventional in the slice surface are detected, focusing is automatic and the developers claim that the fact the mask has only one pattern and the extreme delivery of control possible means that line definition and accuracy of alignment are much better than anything hitherto.

Meanwhile, recognising the fact that there will always be a measurable barrier in any system relying on light, the Philips Research Laboratory at Salford in the UK has been concentrating on the use of electron beam techniques for the production of devices.

Salford scientists are looking at three areas: mask fabrication using electron beams; development of an electron image projector, which put patterns on silicon slices; and a possible alternative in which an electron beam can be moved around to "write" a pattern on a wafer, without a mask.

One advantage in mask fabrication using electron beams is that there are no intermediate stages—there are many in the current processes—so fabrication time is short, a high yield is achieved and line definition is good.

Using such masks, to which an appropriate coating is applied, the projector causes the coating to emit electrons in a pattern corresponding to the mask layout. An electron optical system projects the pattern on to the silicon wafer and, again, there is no mask wear.

If the desired pattern, presumably stored on a computer disc, can be inscribed directly on to a slice and at high speed under computer control, both these stages would be superceded.

Aim is to get line definitions of 1 micron with alignments at least as good as with the silicon repeater.

Philips says, however, that there is still a long way to go before the foregoing is turned into a mass-production technique. The attraction of the electron beam approach is, however, considerable because there are virtually no diffraction phenomena, thus definition is much better, and the beam width being so small component concentration on the chip can be much higher.

Further information on the silicon repeater from Philips Research Laboratories, Eindhoven, Holland.

## CONSTRUCTION No need for grease

**O**NE OF two new products launched by Bostwick Doors, is a folding shutter door specially designed for sandy conditions in the Middle East. All the working parts are coated with a plastic material to avoid the necessity for greasing, which in turn would reduce the door's efficiency due to the adherence of sand to the grease. This type is available with electrical or manual operation.

The other product is a steel security door and frame made to withstand attack from burglars. This has been inspected and approved for two to four hours fire protection by the Fire Research Station in Hertfordshire.

More from the company at Mersey Industrial Estate, Heaton Mersey, Stockport, Cheshire SK4 3ED (061 442 7227).

## HAND TOOLS Riveters to suit most operations

**S**TANLEY HAS built and is marketing a new riveting tool to suit everyone from the DIY enthusiast to the industrial user. They have a pressure die-cast aluminium body, integral steel crew and pivot bearing surfaces, heat treated steel parts, interchangeable nose pieces to fit most sizes of rivets and hardened alloy steel jaws.

The Professional Unit provides a slim nose for access to awkward situations. Its High Technology companion for commercial and industrial markets, has a double lever for a smooth, progressive power stroke enabling continuous use.

Lazy Tons, describes a heavy duty tool capable of repeated, fatigue-free setting of rivets up to 6mm (1/4") diameter in all metal groups. The design includes a double pivot handle drive, normally only found on tools costing much more.

Stanley Tools, Woodside, Sheffield S3 9PD. 0742 78678.

## METALWORKING Machine for cutting off at fast rate

**S**AID TO be a major step forward in the field of both mechanical and abrasive cutting off in terms of floor to floor speed, accuracy and safety, is a range of high production rate, purpose-built abrasive cutting off machines from Universal Grinding Wheel Company, Duxey Road, Stafford ST16 1EA.

Manufactured by Snow and Company of Sheffield, the range consists of the C1, a semi-automatic abrasive cutting off machine for foundry and general engineering work; C2, a fully automatic machine provided with integral racking and bar feed mechanism and suitable for a wide variety of general engineering applications where high feed rate is of importance; and C3, a heavy duty, high power, hot or cold cutting off machine primarily for line rolling mill applications.

A design theme common to all machines is a superstructure which forms the fully protective guard enclosing the cutting area and the wheelhead, access to the cutting area and wheel being through a safety interlocked impact-resistant door. This is set on the heavily constructed fabricated base which incorporates the coolant tank.

Power is transmitted by a multi-vee belt to a precision-ground spindle carrying the cutting wheel. A self-contained hydraulic pack supplies the power for the feed motions, the variable cutting rate movement of the head, the clamps and other optional functions.

The machines differ in their methods of cutting, and in the abrasive wheels which they use. The C1 and C2 have a head that is lowered on twin vertical pillars: the C3 utilises a reciprocating pivoted head action.

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## FINANCIAL TIMES REPORT

Tuesday September 5 1978

## Irvine New Town

## The old and the new

By Ray Perman

Scottish Correspondent

MOST NEW towns are built on "greenfield" sites. The term evokes an image of open countryside, a virtual blank on which planners can give full rein to their imaginations, constrained only by the need to conserve a clump of trees here, or an historic church there. The birth of Irvine 12 years ago could hardly have been more different.

The designated area does include former farmland and a ruined castle, but the character of the area before the Development Corporation was established had been formed by the rise and decline of heavy industry rather than by centuries of rural use. By the mid-1960s, Irvine and the immediate surrounding area of North Ayrshire had seen more industries come and go than most other parts of Britain: shipping, shipbuilding, textiles, mining, iron ore smelting, heavy engineering and chemical manufacture—all had left their marks.

The town of Irvine—actually a Royal Burgh granted its charter in the early 13th

century—was already well-established and, with Kilwinning, which is also within the designated new town area, had a population of 33,000.

The challenge set to Irvine Development Corporation was not to create something from nothing. It was to build a new and dynamic community from one which was old and decaying. It is fair to say that the raw material was very unpromising: a tract of coastal land scarred by economic and social dereliction almost comparable to that in the inner cities. In some cases slag heaps had been overlaid with sterile chemical waste and in others what looked like good green land was found to be so undermined by shafts and galleries that it was useless for intensive building.

But if the beginning was so daunting, then the achievement is that much more impressive. Irvine is still a young town and there is obviously a long way to go. The immediate impression given by the town centre is of old buildings rather than new. But a great deal has already been done.

The old town centre has been transformed by a by-pass which has taken out through traffic and by a new covered shopping arcade which spans the river and the spoil heaps have been removed, or covered with topsoil and planted. One of the worst areas of dereliction is now a green park leading to a sandy beach several miles long which was previously inaccessible and so unused. The harbour—owned by ICL, which has a manufacturing complex nearby—shelters small pleasure craft and the town boasts one of the largest leisure and sports centres in Britain.

New housing has brought the population up to 38,000 and unemployment is now consistently lower than in the surrounding towns of North Ayr-

shire. The old industrial estate, abandoned by the Royal Ordnance, has new and successful occupants and there is a wide range of industry on estates built by the Development Corporation.

Even the undermined area has been put to good use. It may be unsuitable for building on any scale, but it is fine for golf courses and low density housing.

## Housing

Target populations are 84,300 by 1981 and 80,700 by 1988 and so far the progress towards these figures has been good. The Development Corporation has provided some 3,700 new homes, with another 1,500 provided by the local authority and 1,300 by private builders. Altogether 350 more should be completed this year, two-thirds of them by contractors for the Development Corporation.

The town's raison d'être is to improve the quality of life and environment for the people of North Ayrshire. Certainly those living and working in the new town have benefited greatly from its growth. Housing statistics show that families enjoy a high standard of living: 92 per cent of those in Irvine own a refrigerator, compared with 80 per cent in Scotland as a whole and only 71 per cent in the UK. Some 15 per cent own a deep freeze, more than twice the UK average. 95 per cent own a washing machine, and 51 per cent have a telephone.

There has been less success, however, in maintaining the level of employment and this must partly be due to the fact that there is a lot of travel in and out of Irvine to work. In February this year, for example,

the unemployment rate was estimated at 12.8 per cent for the new town, compared with 9.9 for the Strathclyde Region and 8.9 for Scotland as a whole.

The town is moving hesitantly towards its goals, but all has not been plain sailing in its history. Grafting a new town on to mature communities meant that there were strains between the new and old populations that took time to overcome. Now each is conscious of the advantages brought by the other. And, there was an early setback in the housing programme when a large building firm went into liquidation as a result of its overseas losses and left 450 houses uncompleted.

In the town's short life it has experienced only a brief period when the UK and the world economies were booming but had to endure several years when investment has been scarce and constraints on public spending severe. Between 1970, when promoting the town as a location for industry really got under way, and 1973, things were booming. Some 200,000 sq ft of advance factory space was built and let before completion without difficulty, in 1973.

Since then times have been a little more difficult. "We can no longer just take inquiries as they come in," comments Mr. Mike Thomson, Irvine Development Corporation's commercial director. "Since 1973 the picture has completely changed and most of our efforts are directed to getting out to see industry and to chasing every possible lead."

But there are signs that prospects are looking up again. Since the beginning of the year Mr. Thomson's department has noticed a renewed confidence from industry. "Companies are actually arriving unannounced and asking to have a look round and we have noticed some firms who were here a couple of years ago but then shelved their plans for coming back to see us."

In the first six months of this year around 100,000 square feet of advance factory space was let to companies which will provide about 400 jobs. That figure is almost twice the area let in the same period last year and is only slightly below that let in 1973. Most of the new space is being taken by companies already established in Irvine who are now ready to expand, but there are also companies moving in.

But Mr. Thomson acknowledges there is no room for complacency. Adult unemployment in the town now total around 2,800.

Irvine may also have a job to do outside its own borders. Unlike many other new towns in rural settings which have clearly defined limits, Irvine is surrounded by other, older towns. In this context the new town designation area is a mere official convenience. The Development Corporation has never regarded itself as anything but a part of the wider North Ayrshire community.

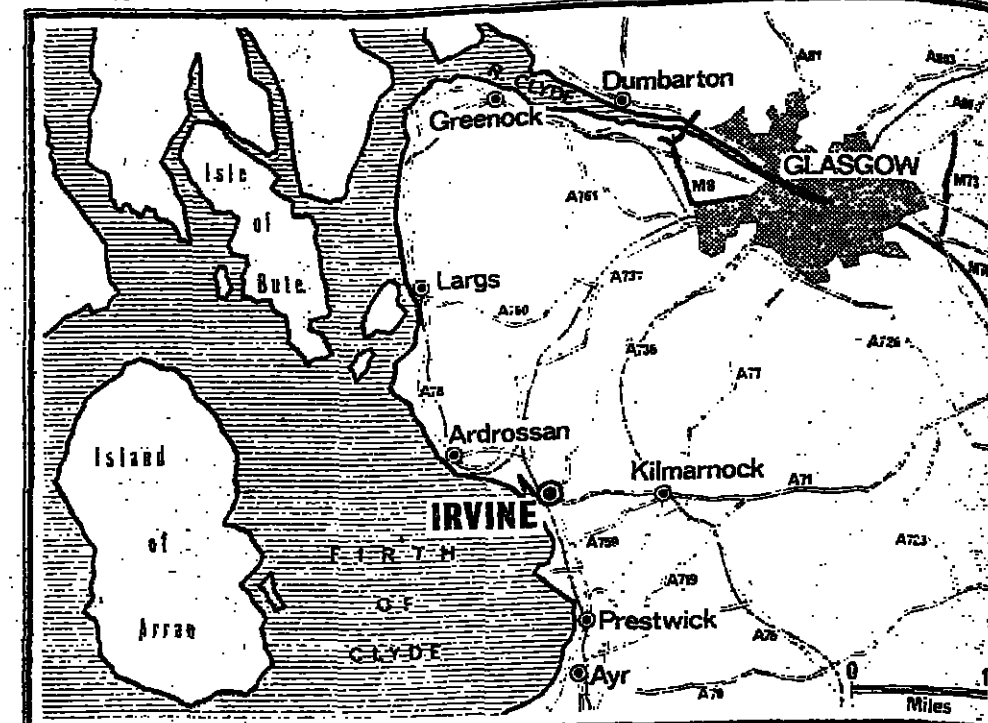
The area has undergone some savage turns in its fortunes in recent years. The massive steel complex planned for Hunterston, a few miles up the coast, which has been the Holy Grail of the Scottish trade union movement for years now seems to be a non-starter, and uncertainty hangs over the fate of the Glegarnock steelworks. The loss of around 750 jobs seems certain, but the future of the remaining 350 in the plant is far from secure.

Both district and Strathclyde Regional authorities have been busy trying to find replacement industries to bring new life to this depressed area and their efforts may be bearing fruit.

Relations between the town and neighbouring district authorities are good, as evidenced by the co-operation over the building of the Magnum Leisure Centre. But the atmosphere has recently soured north of Irvine and while its

between the new town and Strathclyde region. The cause is a number of statements made by politicians about the role of new towns in the development of the west of Scotland. The cancellation of the Stonehouse new town project and the transfer of resources to rehabilitating the East End of Glasgow has been seen by some as a precedent for future action against other new towns.

This seems to be an over-reaction, both by the critics and the defenders of the new towns, and the damage done by the political bantering appears to be illusory. As long ago as October 1976 Mr. Gregor MacKenzie, Minister of State at the Scottish Office, reaffirmed the Government's commitment to the five existing Scottish new towns and more recently this was repeated in the comments of the Secretary of State for Scotland, Mr. Bruce Millan, in his comments on the Strathclyde regional report.



## The weak links

ON THE face of it, communications to Irvine New Town could be seen as a weak link for growth with the nearest motorway 20 miles away, no port facilities to speak of despite its coastal position and a rail system which has been stripped of much of its goods potential.

The town's industrial structure belies that impression with a major vehicle manufacturer's spare depot offering 24-hour delivery anywhere in the UK or Eire, an internationally respected research laboratory catering for customers in 50 countries with a 48-hour maximum transit time, a number of industrial suppliers to the oil industry and even a local newspaper group covering towns throughout the West of Scotland which is setting up its central printing centre in the new town.

Irvine's road system has been the major bugbear of Irvine's planners since the establishment of the new town and if industry has remained relatively unconcerned and very little inhibited by it, the state of the road-building programme has been a constant preoccupation for every other development.

Originally, Irvine New Town was designed completely round a central spine and planning was well advanced before the Corporation's geologists discovered that the town was riddled with old mines. This meant a virtual re-design of the by-pass road to accommodate different access points for the new development plan.

At the southern end of the by-pass where an extension would have given a dual carriageway link from north of Irvine to Prestwick Airport and to the main Ayr-Glasgow road, funds for the three-mile link were set aside six years ago, but the scheme ran into local difficulties in deciding the line of the road and because the scheme was not completed before regionalisation of Scottish local authorities.

The key links for Irvine are, however, east through Kilmarnock to the main motorway network and north to Glasgow and both these links have been affected by the complete reappraisal of the structure plan for the Strathclyde Region.

Under the plan, Irvine and North Ayrshire is accepted as a growth area, partly because of busy trying to find replacement industries to bring new life to this depressed area and their efforts may be bearing fruit. Relations between the town and neighbouring district authorities are good, as evidenced by the co-operation over the building of the Magnum Leisure Centre. But the atmosphere has recently soured north of Irvine and while its

development as a major steel-making centre has been postponed indefinitely, it is still a major power generation centre and will have the largest ore terminal in the UK when it is complete at the end of this year.

Although Irvine is more isolated from motorways than many other new towns, conversely, it has the advantage of proximity to two of Scotland's major international airports. Prestwick is probably Irvine's greatest communications asset.

Not just because it is only a ten minute drive away, but because it caters for international traffic, it has no restrictions on night flying and its benign weather record is unmatched. With the growth of passenger traffic, sluggish British Airways has made tremendous efforts to develop Prestwick's role as a cargo centre.

Last year, Prestwick handled 19,000 tonnes of air cargo, ahead of Glasgow and the figures for this year show further improvement.

Glasgow Airport is only 20 minutes from Irvine giving further access to air-freighting and with the growth of European services from Glasgow, the choice of services for Irvine customers is increasing. A further asset is the Greenock container terminal, again only

30 minutes away, with access from the regular ICI services to most of the North American ports.

Rail links are good despite the loss of much of the freight handling facilities during the cuts of the 1960s with services to Glasgow, Largs via Hunterston and south to Stranraer and the ferry to Ireland.

Port facilities at Irvine itself belie its position as the main port for Glasgow two centuries ago with only an occasional ship carrying timber or sand apart

serving the company's chemical and explosives complex Ardeer, but both Ardeer and Troon have port facilities coastal and European traffic there is scope for expansion. With an improving road work promised over the few years, earlier than Irvine had will largely moved and it could find in a better position than new towns to serve industry.

John Drumm

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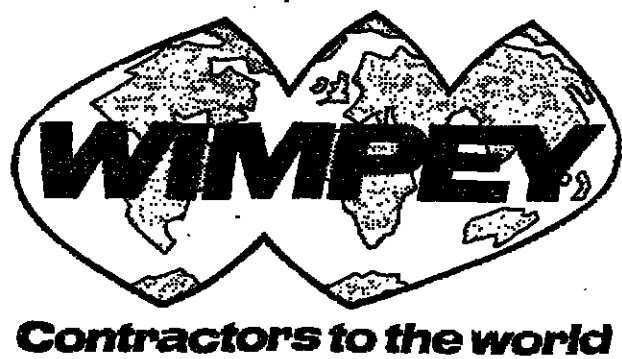
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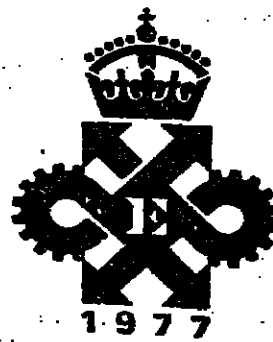
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Contractors to Irvine Development Corporation since the inaugural contract in December 1968.





# Diversity of industry

NUMBER of multinationals particular in its own formula represented in Irvine, but of them is quite like type used in public buildings. Whereas most such as schools, hospitals, swimming pools, town centre complexes and blocks of flats. Like its competitors, it has an extremely hard surface, which makes it difficult to scratch but unlike them, it is water-based and so non-toxic—and can be applied by brush. Other flecked paints have to be sprayed on, which limits their range of applications. In the first 15 months of operation the turnover was £30,000. But in the current financial year Mr. Robottom estimates that it will be in the region of £180,000. But one of the functions they fulfil best is providing the soil in which a good can germinate from seed. In the Irvine area, so although its market is national and international, Irvine Paints is a plant that there could be a local boost. Irvine Development Corporation provided the factory, with rent relief assistance, and helped with initial publicity. The Corporation has also allowed Irvine Paints to store its new mixing equipment in an unused factory free of charge so that it can be moved into the new larger premises and between 50 and 60 in her 18 months.

The company has no regrets about its choice of location. Distribution and communications are generally good from Irvine. Mr. Robottom has found, although the fact that direct dialling is not yet available in the new town on international calls can lead to frustrating delays.

Irvine Paints began in one of the Development Corporation's

smaller advance factories, but they range in size up to the 50,000 sq ft with room for an expansion of as much again. Incoming companies building their own plants are eligible for 23 per cent Regional Development Grants on buildings and machinery and there are substantial other incentives including tax allowances, assistance with training and, in certain cases, special preference in the award of government contracts.

The town has 170 firms, mostly medium or small companies. Only a handful employ more than 500 people, but most of those have grown to that size within the new town. Rivster, the U.S. fork lift truck manufacturer, for example, started in Irvine in 1960 with a workforce of 24. Now it is the town's biggest employer with around 1,000 on the payroll. From 25,000 sq ft advance factory, the company has expanded to an area nearly ten times that size.

Irvine is the largest of the company's European manufacturing centres, and besides producing a range of electric and diesel trucks, also houses the company's European tool-making centre.

Beecham Pharmaceuticals has also expanded its penicillin and

chemical manufacturing plant in £4.4m last year. Since 1970 more than £25m has been spent and earlier this year the company announced that it was considering a further £14m expansion. Rockware Glass, another of the town's major employers, also recently opened a multi-million pound expansion to increase its output of bottles, mainly for the whisky industry.

Scandinavian industry is heavily represented with two major companies. SKF (UK), actually pre-dates the new town, and has, over recent years, suffered from the worldwide slump in demand for ball bearings and its other products for the motor and locomotive industries. Its labour force is down from a peak of around 1,000 to about 850. Volvo's Ailsa trucks came to the town in 1974, taking over the old Royal Ordnance factory, a 75-acre site which has plenty of room for expansion. The company was in fact a victim of its own conservatism in the first few years, but has since shown remarkable growth. Strong demand for its bus and lorry chassis pushed its turnover up by two-thirds from 1975 to 1976 and by another 45 per cent to 1977, bringing it to £65m. A pre-tax loss of £135,000 in 1975 was turned to a profit of £1.8m the following year and



Made in Irvine.

Ailsa Trucks Limited, Kilwinning Road, Irvine, Ayrshire.

Ray Perman

## AFTER THEY'VE BEEN TO BIRMINGHAM WE'RE SENDING THIS LOT TO COVENTRY.

This is the team from Irvine Development Corporation. Who are on a whistle-stop tour which takes in ten destinations en route.



TODAY MANCHESTER

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## Emphasis on leisure

IRVINE IS the only new town in the UK whose designated includes a stretch of coastline and this in itself has led to an emphasis on the importance of leisure and recreation. In the new town's planning, Irvine is a blend of two existing towns on a stretch of the Ayr coast, which has for 20 years been a popular holiday resort. Irvine is a blend of two existing towns on a stretch of the Ayr coast, which has for 20 years been a popular holiday resort. Irvine is a blend of two existing towns on a stretch of the Ayr coast, which has for 20 years been a popular holiday resort.

The great outdoors is the sea. The sand, the golf course, the river bank. Irvine also has the largest area of natural landscape of any new town at the heart of the designated area. The new town's pride and joy is the Magnus Leisure Centre adjacent to a 150-acre park minutes from the town centre—an appropriate name for the largest indoor sports centre in Europe. Despite its cost of £3.4m, the centre, which was planned initially by a go-ahead town council and completed by the district council, has already disproved its critics. It is a white, phantasmagorical, two-storey structure, opened two years ago and in its first year operation attracted nearly 1m visitors. Last year the centre was over 3m and the figure is still rising.

The Magnus is an impressive 100 yards long, built on two levels and houses a massive sports hall and two swimming pools—one to full international standards—an ice rink, indoor tennis and a 300-seat cinema. It is rapidly acquiring an international reputation and has been the venue this year for international volleyball, basketball and skating championships. One of the encouraging successes of the centre has been the use made of the conference facilities, mainly by local companies—although this is changing—for major sales conferences and seminars. Adjacent to the centre is the 175-acre beach park where a massive and comprehensive development is underway. Apart from athletic fields to complement the Magnus indoor facilities, a large pitch-and-putt course is being built, an artificial boating lake has been created and the area has been landscaped. It is maybe not too surprising that the vision of the early planners of both the Magnus Centre and the Beach Park was to create a new town. The entire area bordering the harbour and stretching to the South was an industrial wasteland. The fact that it was beside the sea, if anything, made the despoilation worse. The main industry which occupied the area was an old-fashioned shipbuilding and included everything from Victorian brick factory buildings to underground storage dumps.

In the midst of the sometimes frenetic rush of new town building it is sometimes difficult to remember that Irvine is an ancient town, but one of the highlights this month at the Beach Park was the Fireworks and Gala Night for the annual Marymass celebrations where thousands of people filled the car park to overflowing. The celebrations go back to medieval times when Irvine was one of Scotland's most important towns and the main port for Glasgow.

Much of what remains of the town centre of Irvine is good quality domestic Scottish architecture of the 18th and 19th century while there are strong connections with Robert Burns throughout the Irvine area. Irvine Development Corporation has done as much as possible to retain the best of the architecture and the results are now beginning to show to the extent that the concept of Irvine New Town as a tourist centre in its own right is no longer looked on askance. Obviously, with the sea coast figuring prominently in the planners' thinking, surprisingly little use is made of the sea, despite the explosion in yachting the Clyde has seen in the past few years.

There is to some extent a conflict of interest between Irvine Development Corporation and the Cunningham District Council. The District Council has attempted to concentrate yachting development around Fairlie and Largs to spread the recreational load, while another major marina is being built at Troon south of the New Town. The Development Corporation points out that much of the demolition work in the harbour area has only recently been completed and so far no commercial developer has come forward with a proposal.

Further marina development on the Clyde is almost certain in the next few years and as Irvine has a very large area available and water depth for seagoing vessels it could yet add yachting as a major sport.

Not content with 20 golf courses within 10 miles—two on which the British Open has been played—there are plans for between two and three more. The District Council is developing a nine-hole course for the Bartonholme area of the town with facilities for extension to an 18-hole course while Irvine Development Corporation is planning a major course adjacent to Elzington Park.

Overall, Irvine's planners have accepted the leisure concept with enthusiasm, but they have a great deal to thank the annals of both the Magnus Centre and the Beach Park for the sea and the rivers flowing across the North Ayrshire plain on the one hand, and a vast area of land made unsuitable for anything else but leisure by Victorian industrial trials whose factories lined the shore preventing their use for the kind of house-building that mars so much of Britain's coastline.

John Drummond



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## The Management Page

EDITED BY CHRISTOPHER LORENZ

## Zen and the art of industrial success

BY JEREMY DODD



Why can't you simply ask them home for a drink, like other managers?

workers are not tightly classified, so that boundaries do not develop and become barriers to interchangeability.

The community nature of the social organisation within the company is echoed in its relationship to its subcontractors and suppliers. They are related in a "parent" and "daughter" manner, so that if they should get into difficulties they will be helped to weather the storm.

So the sense of a national community is deeply embedded in the Japanese sub-conscious. Throughout his working life and on into retirement, the worker in the average manufacturing plant or office receives a high level of emotional support, a wide spread of fringe benefits, a share in the profits by means of two yearly bonuses and, in return, gives his or her emotional, intellectual and of course physical support.

## Hard effort

The worker, if content, will look for ways of improving his company. The very limited pattern of job change means that a worker expects to stay with one firm throughout his career, so he tends to regard hard effort or the sharing of new ideas for increasing productivity and profits as normal behaviour.

There are two main ways of entering the company. The academically-minded can enter from university (the most prestigious firms take top graduates from a particular university in one of the major cities with the right "name-value"). Or one can go directly into the company from a specific high school which is only entered after passing very selective examinations on finishing middle school. Large companies like Toyota or Matsushita have their own excellent high schools.

Once accepted in the job, the worker rapidly becomes a member—albeit junior—of the com-

pany-community, and is assigned a section where he or she will work alongside one or two "seniors" who will make the necessary introductions all round.

Throughout their careers, they will retain the same senior-junior relationship within the hierarchy of their section in the plant or office—after all, the efficiency of the working community depends on team-work. Parties and other celebrations held in works or nearby restaurants by the work-team, section, division or, on a special occasion, the whole factory, create friendships between like-minded people.

The company president and his managers find the time to seek out new workers at their work station or when they are in the unsegregated canteen or washroom, and ask them about their families, housing situation and so on.

I have often seen this on a busy construction site. By wearing the same type of overall jacket and trousers, marked with the same embroiled company insignia, the grading structure is given minimal visible importance.

It is tradition which also prompts senior managers to find time to invite a few workers for that drink on their way home. By the time everyone has bought a round of drinks it is usually eight or nine o'clock, and time to go home.

The manager collects opinion at all levels in such ways, and skilfully puts together a few alternative consensus opinions which are debated at meetings between management and foreman. As the general line of action is already understood, time can be devoted to making refinements. When the senior manager is ready to announce the final plan, he knows it has community-wide general support and will be given emotional and physical backing to the hilt—it

has become the plan of the community.

The best way to test the reality of shared and equal esteem that the managers and workers have for each other is to join them on a company trip.

This is where that communal bath comes in. If they stay in a Japanese inn, communion in the scaldingly hot steam and water of the swimming-pool sized bathroom will form an important part of the proceedings (the sexes are segregated). It must be particularly difficult to keep up a facade of superiority when naked.

Company-sponsored trips, often in the firm's own coaches, take a whole section or number of work teams to seaside or mountain resorts. Everyone goes along on these outings, which last a few days or even a week, where virtually everything is paid for by the company. Plenty of activities and entertainments are laid on.

The sense of community is strengthened, since the workers and management get to know each other in a relaxed atmosphere, where everyone goes at their own individual pace instead of at the external pace set by the production line. There are company trips for families as well, and every autumn there is a factory-wide athletics day when all the children and parents join to form teams for sports and festivities.

## Negotiations

The financial aspect of this relationship is carefully balanced. Twice a year, at midsummer and just before New Year bonuses based on the success of the company are given to all the workers. They form a partial redistribution of wealth, treating the working community as a whole. The summer bonus may range from one to as much as three months' normal monthly salary

or wages; the end-of-year bonus from one to six months' normal pay (the year's basic pay provides a subsistence wage). The amount is often the result of protracted negotiations between the management and the company workers' union.

Wives very often get their husband's pay packet in full on payday when he comes home, or it may be paid to them directly. They are then expected to look after the home finances, including taxation and the payment of bills, leaving their menfolk to concentrate on their work life. Most men only get, or keep back, a limited amount of pocket money from their income.

If the husband falls ill he will be covered by the company health insurance and in some firms can be treated in the company hospital. If the wife falls ill, the company will often pay for a housekeeper to be brought in to keep the home running, so that the husband can continue at work.

If the husband works in an efficient company, there are many special occasions when his family can be sure of financial help. Weddings are paid for (introductions will be arranged if the man or woman is too shy to find a mate). The birth of children brings further help, and so does moving to set up house. After a death in the family there is a gift of money to cover all the funeral costs.

To belong to a good, efficient firm with a dynamic company community—managing and powering it, is an early ambition for the average boy or girl in high school. Having joined, it

## A union view of the debate on industrial democracy

The Industrial Democrats: Trade Unions in an Uncertain World by Giles Radice, George Allen and Unwin, £6.95.

WHATEVER THE outcome of the expected general election, one major issue which has grown in significance during the lifetime of the present Labour administration will remain in the forefront of political and industrial debate. This is the development of industrial democracy, as seen in its broadest context, ranging from trade union influence on Government policies to employee influence on company decision-making.

## Consultation

If Labour wins the election, the incoming Government will have to decide, along with the unions, how to develop the social contract style of relationship of the past four years. At the same time Ministers will have to consider how to handle a Bill that is now being drafted in Whitehall to give employees statutory rights to consultation and, later, to boardroom seats.

If the Conservatives win, they will have to face up to how to live with the unions in the national political and economic arena. They will also have to decide what sort of legislation—if any—they should start to prepare to expand employee participation in industry.

So it is timely that Mr. Radice, who is now a Labour MP and used to be the General and Municipal Workers' Union research officer, should choose this moment to produce a book on this broad subject.

He advocates the extension of trade union influence at all levels of the country's political, economic and industrial life,

including legislation on worker directors. He wants unions to become more democratic (with union leaders retiring at 60) and stresses the central role of shop stewards in industrial relations in general and in employee participation in particular.

Too few managers recognise that the heart of trade unionism is on the shop floor: reflected through shop stewards, and not in the regional or head offices of the unions themselves.

Mr. Radice explains this and also deals with the internal structures and weaknesses of unions and of their international and political relationships. But he skips rapidly through the "Bullock debate" of the past three years. This is particularly disappointing since he played a key role as an MP in causing the Government to set up the Bullock Inquiry. More recently he has been parliamentary private secretary to Mrs. Shirley Williams, who led the Cabinet team that produced the recent industrial democracy White Paper.

## Skeletons

The skeletons that he could have released, remain locked up, however, and one is told little or nothing about the political infighting over the issue—neither Lord Bullock nor Mrs. Williams even rates an entry in the book's index!

There have been some other books on the same broad subject recently (I have to declare an interest as the author of one of them). But Mr. Radice's work is especially valuable because it is written from the point of view of the unions, by an author committed to seeing their role extended.

John Elliott

## Paradise comes to Cowley

position in the market. Its problem—in common with the other supermarket multiples—was that many of its stores were too small to cope with changing market conditions.

As soaring inflation and rising costs put pressure on margins, so supermarkets were forced to boost turnover and diversify into higher-margin non-food items to survive. The traditional High Street supermarket of between 4,000-5,000 sq ft was too small to meet this new trend—so groups such as Tesco closed down their small stores and aggressively sought to open much larger stores in all areas.

Fine Fare, however, decided on a different policy. It was loathe to give up its prime High Street sites—albeit in too small trading locations—without first attempting an alternative strategy. It decided, therefore, to convert its small stores to limited range discount shops rather than just shut them down. The move also had the advantage of boosting turnover while the group stepped up its search for the much larger superstore development sites.

The concept of limited range discounting originated with the German group Aldi, which Fine Fare closely studied. Fine Fare opened its first

Shoppers' Paradise in Leicester in September 1975. Although run as discount operations, Fine Fare believed that stores should not have the run-down, seedy appearance that so often characterises cut-price stores. Thus, while the frills were left out, stores were completely refurbished.

## Pressure

The biggest hurdle Fine Fare faced was its lack of price marking on goods. Consumers had to be persuaded—by extensive pre-publicity—that staff really could remember all prices at the checkout. Since even checkout staff in normal supermarkets where prices are clearly shown often make mistakes in adding up the bill, Shoppers' Paradise was perhaps asking people to accept too much. But Shoppers only took on full time staff, instead of the usual part-time and casual workers, paid well above the going rate for good people, and then subjected them to several weeks intensive training in order to achieve the high level of consistency at the checkout.

Fine Fare has been able to keep Shoppers' Paradise's prices down by putting pressure on manufacturers to offer discounts both for bulk orders and deliveries and in exchange

for not having to finance local advertising and promotions. This is a technique which other discounters—notably ASDA—also use. While main brand manufacturers were at first reluctant to accept these terms for Shoppers stores, the chain's growth has encouraged more manufacturers to sell to Shoppers.

Shoppers' costs are also reduced by keeping few stocks on the premises but relying instead on Fine Fare's depot and distribution system. The success of Shoppers has taken most of the High Street operators by surprise, even though many feel it is primarily a defensive move by Fine Fare. Brian Baylis, formerly in personnel with W. H. Smith but who now runs Shoppers, is confident that whatever Fine Fare's original reason for setting up Shoppers, it has clearly established a long-term role in the new pattern of grocery trading.

Baylis is no longer just taking over Fine Fare's uneconomic stores, he is now actively seeking to acquire similar sites from other retailers for conversion to Shoppers' Paradise stores. Although the rate of growth of the past two years is unlikely to be matched, Baylis still plans to open about 50 new stores in the coming 12 months.

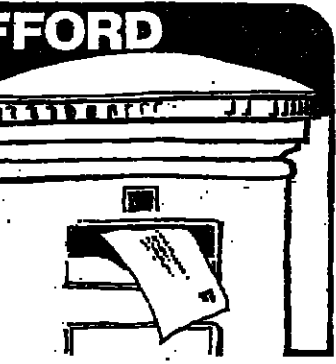
Fine Fare is also using the experience gained from Shoppers to experiment with converting medium sized Fine Fare stores—around 8,000 sq ft in size—into larger discount operations which carry a bigger range of items. But this new stores grouping—called Elmo—has yet to emulate the impact made by Shoppers.

David Churchill

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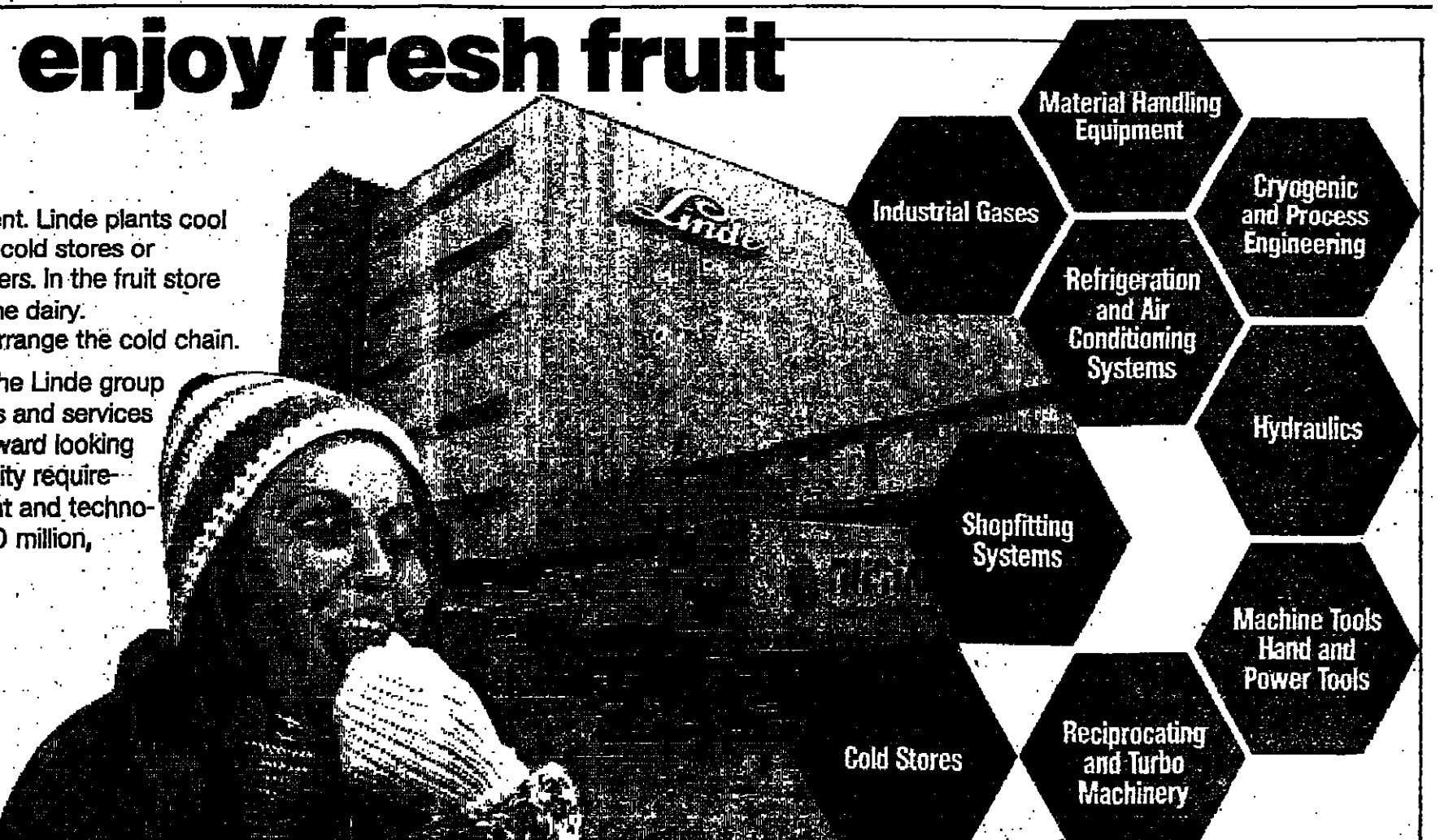
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# Campaigning on the dole queue

BY PETER RIDDELL

THE LEVEL of unemployment is at the top of voters' lists of election issues according to the opinion pollsters. This has already been picked up by the sensitive political antennae of the Labour Party and its campaign managers. The lengthening dole queue under Labour has been the theme of the party's first attempt to translate the Soviet realist school of poster design of the inter-war period to the late 1970s. This is all slightly puzzling since there are few other signs of much public concern over unemployment apart from largely ritual trade union protests and the annual demonstrations of the Right to Work campaigners.

Yet if unemployment is to be an election issue—as it should be—then it would be desirable to be clear about what is happening. There is now widespread agreement that the rise in the published total of UK adult unemployment from around 550,000 when Labour won the February 1974 election to just under 1.4m now does not provide an accurate guide either to the underlying trends in the labour market or to any change in the welfare and living standards of those involved. Increased social security benefits and many more women workers have reduced the loss in household income from unemployment.

## Cyclical

A recent study from the Organisation for Economic Co-operation and Development has pointed out that well under a third of the unemployment in many of the leading industrialised countries is directly cyclical. The rest is either frictional arising from time spent between jobs or capital shortage unemployment due to insufficient capital to employ the available labour force. This may mean that capacity is of the wrong kind in relation to the current pattern of demand.

On this basis, OECD estimates that less than a quarter of French unemployment in 1976 was cyclical and less than a third of that in the U.S. In the UK unemployment at full capacity on the existing capital stock would have been 3.3 per cent in 1976 compared with the actual figure of 5.0 per cent on OECD definitions. Moreover, frictional and capital shortage unemployment has been rising from 2.1 to 3.3 per cent between 1974 and

1976. These figures indicate why refutation on its own is no solution to present levels of unemployment. The effect of a large scale stimulus may be mainly to boost inflation after a short-lived impact on activity.

This analysis does not, however, mean that the Government can somehow be absolved from responsibility for what has happened; its own intervention in the labour market has probably increased the rate both of frictional and capital shortage unemployment. This would confirm the conclusion that the published figures are not a good guide to the underlying trend as there is an evident breakdown at work in the previous relationship between output, employment and unemployment.

In addition, the seasonal adjustment process seems to have gone awry since 1974. There has been a drop in unemployment in the last two summers followed by a later decline, which may be happening again this year.

## Turnover

A partial clarification may be gleaned from the writer of the Employment Gazette. This publishes a little noticed series of labour turnover in manufacturing which shows that changes in employment reflect the cumulative effect of small differences between engagements and discharges. In a recession both fall with engagements declining first, while in a recovery there is a sharp upturn in engagements followed after an interval of six months to a year by a rise in discharges.

In late 1975 engagements—as a percentage of the total labour force—started to rise and this was followed during 1976 by a levelling out and then a rise in the rate of discharges. However, as figures in last week's Gazette show, the level of engagements has fallen compared with a year ago; it is now more than 25 per cent lower than in 1973 which was itself below the 1968-69 peak. Discharges have also stopped rising since the winter.

These figures are hardly conclusive, especially since the two way flow on and off the vacancies register has still been rising. Yet the evidence of at least a stabilisation rather than a pick-up, in labour market activity suggests that it may be difficult to sustain a significant decline in unemployment over the next 18 months—unless the current boomlet becomes fully fledged. Even more inefficient than is so far apparent.

# Unimaginative pictures at an exhibition

A FEW people in the photographic business are worried about the continuing failure of industry to make extensive and imaginative use of the medium. The worry is at least 10 years old, the subject is becoming something of an old chestnut—good for a seminar topic—and sporadic efforts are occasionally made to improve matters, but those on the receiving end of the pictures have less cause for complacency and are faced, if anything, with declining standards.

The current issue of Kodak's magazine *Professional News* takes up the cudgels, where the quoted views of Mr. Glyn Genn, picture editor of the *Financial Times*, underline the point—half the pictures submitted by PR agencies and companies are technically so sub-standard that they could not reproduce them if you wanted to do so. A reader's letter published in the *Financial Times* last week highlighted another aspect of the problem—photographs submitted for transmission on television are often useless because they are too small or of the wrong aspect ratio (for example, vertical or letter box shape).

In London this evening, at Reed House in Piccadilly, the editor of the *Sunday Times*, Mr. Harold Evans, opens the annual exhibition of the London Region of the Institute of Incorporated Photographers. As one of the judges of this competition (with

Mr. Evans) I can report that there was no great feeling of excitement a few weeks ago when we ploughed through the stereotypical industrial machinery, back-lit for dramatic effect, and the product shots intended for editorial use but patently quite unacceptable to an average editor. Indeed, the judges reluctantly agreed not to award a cup in the industrial category.

What is wrong? Some observers blame the photographers—others the PROs for failing to issue clear briefings on adequate budgets and for mis-handling the subsequent distribution of pictures. There is no single answer; all of these factors, and others, contribute to the problem.

For the client, the malaise begins with a failure in the first instance to recognise that some aspect of his business is suddenly very topical—and photographable. Missed opportunities abound, such as the countless occasions when really newsworthy people visit the works, such example occurred when a sponsored film company, demonstrated the bonuses when Bing Crosby made a recording at their studios some time before his death; first-rate colour photographs of Bing, looking at the studios, now adorn that film company's publicity material and reception offices were also published by the audio-visual press. Even when recognition of the

possibilities registers, it is of fundamental importance to choose a photographer with the same care as the selection of a new advertising agency. Not only do photographers vary widely in their ability—but the depressing degree—but the best of them have very individual styles, suited to some situations but not others.

Perhaps one of the root

editor responded to his query "such as?" with the same of one of Britain's best, the PROs shocked reaction was "but he costs £200 per day!" Yet this fee was less than the rate for a whole page advertisement in the same magazine.

Even when excellent photographs have been taken, with the promise of editorial returns far in excess of the original

graph of an electric power drill. The story with it was about a series of audio-visual presentations that the manufacturers were holding to promote their power drills. But which editor of an audio-visual magazine is going to publish a photograph of a power drill? Thousands of photographic prints like this are pouring into waste-paper baskets every week, and for the photographic materials industry it must be true that they make most of their money like the manufacturers of the mustard left on the plate.

The most heinous crime of some so-called press officers, however, is the unexplained photograph. Although a picture may be worth a thousand words, its relevance may be totally lost without a dozen on the back. Many photographs also finish in a picture editor's desk—unsuitable at the present time, but interesting enough to keep. But when that day arrives, as frequently it does, the unexplained photograph may be physically impossible to copy. The suitability of the picture for the publication to which it has been submitted should be taken for granted, but rarely is that possible. Last week, during a meeting of the Film and Video Press Group, a number of editors were complaining about the poor standard of hand-out pictures when one mentioned a picture that we all received last week—a photo-

Indifferent photographers will be squeezed out of the industry. Too many industrial photographers fail to recognise viewpoints when faced with an interesting subject; they are from the shoulder, where camera usually hangs, and the result is frequently pedest. The failure to arrange an eye level at the time of the photograph is almost as frequent as the indifference to the lighting to fill in the shadows of a daylight picture. The natural effect of daylight is smothered.

Perhaps the greatest waste of all occurs with photographs taken at conferences, meetings and similar functions. On occasions it is seldom rare as justifiable to use a better than the local press photographer. Yet pictures of people standing around a glass of water are possible, the difficult of all to make in the

Regrettably, photographers regarded too exclusively as reproductive medium. But as Mrs. Reynolds said of all photography, "A mere copy of Nature can never produce anything great; can never raise the imagination; can never enlarge the heart of the spectator."

## FILM AND VIDEO

BY JOHN CHITTOCK

causes of poor industrial photography arises from simplistic attitudes: most people can handle a camera and produce creditable pictures, and the professional photographer is thus too readily regarded as a superior kind of mechanic. In consequence, clients are sometimes reluctant to pay high fees for the work of those very few masters in the profession. One such example occurred when the PRO of a very large international company was offered a chance to have one of his products appear on the colour cover of the first issue of a new magazine. It was stipulated that, to reduce the risk of embarrassment in rejecting pictures specially taken for the purpose, it was vital that the PRO should use a really top-class photographer. When the

# Carson's treble chance is Beverley highlight

WILLIE CARSON, who heads the jockeys' championship table, travels to Beverley today to ride Twice Rich for Michael Stoute's Newmarket stable and Leopard's Rock and Albion for John Dunlop—all three have a chance of winning.

Twice Rich, a bay colt by Targowice, out of a mare by

cap at Wolverhampton eight days ago.

He is certain to go well in the Hornera Mere Handicap.

Albion tackles two miles for the first time in the Bridlington Bay Handicap, and though there is no reason to doubt his ability to stay this distance, I prefer the credentials of American, who, before falling to concede the useful Mill Street 10 lbs at Lingfield at the beginning of last month, had won three consecutive races including the Heyshott Handicap at the principal Goodwood meet.

## RACING

BY DARE WIGAN

Charlottesville, has always looked as though he required at least seven furlongs and that is the distance of the Flay Drig Stakes.

Of the pair that Carson partners for Dunlop, Leopard's Rock is a definitely consistent.

Moreover, his fitness is guaranteed for he was runner-up to Coquito's Prince in the Midland Cambridgeshire Handicap at Wolverhampton eight days ago.

If the weather is good, there will be few pleasant places to spend the afternoon at Folkestone.

Unfortunately, it does not look as though it will be easy to pick winners there.

Oisin, who is in great form at present, may successfully defy a 7 lb penalty in the Cheriton Handicap (3.15); and Par Ci

3.00—Flash O'Green  
3.30—Twice Rich  
4.00—Leopard's Rock  
4.30—American\*\*

FOLKESTONE  
1.45—Lane de Miel  
3.15—Oisin  
3.45—Balanite  
4.15—Par Ci Par La\*\*\*

Par La, who, as he name implies, was bred in France, may be at cut above her rivals in the Warren Maiden Stakes (4.15).

## Novelist leaves £177,165

Lady Carol Mary Anna Leighton, of Ayot St Lawrence, Bedfordshire, who wrote the historical novelist, biographer and children's author—who died on June 11 left £177,165 (£175,958 net).

## TV/Radio

† indicates programme in black and white.

### BBC 1

6.40 am Open University (Ultra High Frequency only). 7.45 pm News. 1.00 pm Pebble Mill. 1.45 pm Bod. 3.45 pm Tyed. 4.18 pm Regional News for England (except London). 4.30 pm Play School. 4.45 pm Ask Angel. 5.10 pm The Story Behind the Story. 5.40 pm News. 5.55 pm Nationwide (London and South East only).

6.30 Nationwide. 6.50 Star Trek. 7.40 Happy Ever After. 8.10 Dallas. 9.00 News. 9.25 Holocaust. 10.55 Tonight. 11.55 Weather/Regional News. All regions as BBC 1 except at the following times: Wales—5.55-6.20 pm Wales Today. 6.50 pm Heddew. 7.10-7.40 pm Glas Y Dorian. 11.55 News and Weather for Wales. Scotland—5.55-6.20 pm Report.

ing Scotland. 11.55 News and Weather for Scotland. Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 pm Seene Around Six. 11.55 News and Weather for Northern Ireland. England—5.55-6.20 pm Look East (Norwich). Look North (Leeds, Manchester, Newcastle). Midlands Today (Birmingham). Points West (Bristol). South Today (Southampton). Spotlight South West (Plymouth).

12.25 am Close: Dorothy Tutin reads from "The History of England," by Jane Austen. All IBA regions as London except at the following times: 9.30 am An Anthology. 9.55 pm Feature Film: "Prince of Foxes," starring Tyrone Power. 11.30 pm Cartoon Time. 11.55 pm News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 am News. 2.30 am News. 2.45 am News. 3.00 am News. 3.15 am News. 3.30 am News. 3.45 am News. 4.00 am News. 4.15 am News. 4.30 am News. 4.45 am News. 5.00 am News. 5.15 am News. 5.30 am News. 5.45 am News. 6.00 am News. 6.15 am News. 6.30 am News. 6.45 am News. 7.00 am News. 7.15 am News. 7.30 am News. 7.45 am News. 8.00 am News. 8.15 am News. 8.30 am News. 8.45 am News. 9.00 am News. 9.15 am News. 9.30 am News. 9.45 am News. 10.00 am News. 10.15 am News. 10.30 am News. 10.45 am News. 11.00 am News. 11.15 am News. 11.30 am News. 11.45 am News. 12.00 am News. 12.15 am News. 12.30 am News. 12.45 am News. 1.00 am News. 1.15 am News. 1.30 am News. 1.45 am News. 2.00 am News. 2.15 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by WILLIAM PACKER

would have relished quite as much as the imagery. Alexis Hunter's photographic sequences, collectively entitled 'Approach to Fear', are stylishly and effectively carried through, intriguing kind of narrative that is not so much made for its formal invention and visual wit, as for the anthropological material with which it deals.

Upstairs, unfortunately, the show is generally less successful, the constructivist section especially so dreadfully over-designed, the work lost in a point where the artist's over-enthusiasm becomes unfair, though it must be said that the artists concerned did the burying themselves. Rita Donaghi too, whose work is always interesting, though perhaps too inclined to celebrate the cleverness of her ideas than the virtues of her subjects, is not without a certain fault of her own, from a miserable banal, And Mary Kelly's earnest and exhaustive documentation of her own self-regard soon drives us on to the terrace outside, where Steve Furlonger's a little over-the-top as a great relief.

by FRANK LIPSIUS

refuge from lives that probably have as much in common with their antecedents as their services do. Though they call themselves by a variety of denominations, ranging from Baptist to Pentacostal, they share a belief in born-again baptism through total immersion in baths or rivers consecrated for the purpose. The trappings of the convention—the religiously confined to candle-lighting by young boys dressed in long robes.

When not gathered for a service, the convention consists of rehearsals for male, female and children's choirs, as well as business and professional meetings and announcers' guild meetings. The gospel music market has desks in the convention hotel lobby, giving evidence of the health of the last area of the music business left almost entirely free of the sweet entrepreneurs hawking records practically door-to-door.

Many of the choral groups had records available for sale, as mentioned at the service. Sheet music, now a minor part of the music business, remains a strong seller in these conventions. The hawkers were in the seats

throughout the day, whatever activities were going on in the convention. The competition for people's souls, which at one time occupied the thoughts of each minister and each denomination, seems to have given way to competition of a more material sort.

# ONOMIQUE

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Rosemary Harris and Fritz Weaver in 'Holocaust'

by CHRIS DUNKLEY

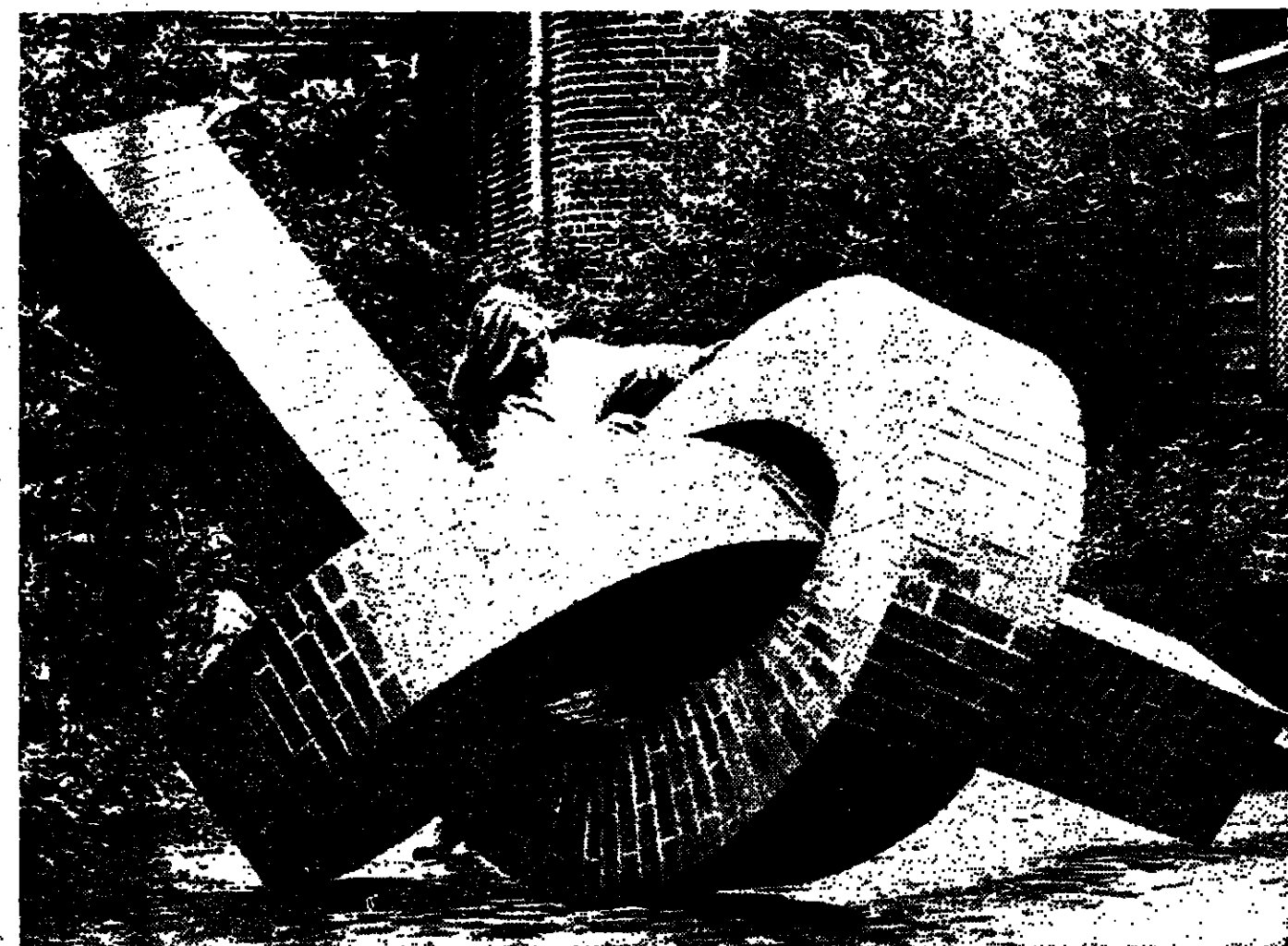
all, never mind the have started watching for the made and shown it.

by NICHOLAS KENYON

## Reviews

# Gothic scorn

leave me a study of the first, especially as the author has



### Wendy Taylor's 'Brick Knot'

## Gospel Music Workshop



## Carter's role at Camp David

WHILE IT would be premature to describe this week's summit at Camp David as a last-ditch attempt to restore life to the negotiating process started ten months ago by President Sadat, it is clear that it will be a major test of the good will of both Egypt and Israel in searching for a Middle East settlement. Unfortunately, these two countries are approaching the meeting in such very different frames of mind. The Egyptians are putting it about that without a major step forward at Camp David, the Sadat initiative will be as good as buried; the Israelis are taking an altogether cooler view, that this is just another meeting, in a series of meetings. Undoubtedly, both sides are adopting postures which they think will suit their cause.

### In the sands

Success and failure are, of course, relative terms, which must be seen in the context of the months which have elapsed since President Sadat astonished the world by visiting Jerusalem ten months ago. The psychological effect of that historic gesture was remarkable. It transformed the balance of opinion in the western world, and especially in the U.S., on the relative merits of the rival positions of Israel and the Arabs. But in substantive terms, the negotiating process which was started by that gesture ran into the sands in January of this year.

Camp David will be a success if it offers any serious indication that the Israeli Government is prepared to make a significant move towards the Arab position. Without such a glimmer of hope, there is a real danger that President Sadat, long reviled as a traitor by Syria and Iraq and other hard-line states, may decide that the time has come to mend his fences with the rest of the Arab world, and to withdraw his offers of peace negotiations with Israel.

Clearly, much will depend on the role which President Carter plays at Camp David: clearly, too, he cannot avoid the prospect that his own credibility as a power broker in the Middle East will be affected if this meeting is not a success. Given the yawning chasm between the Israeli and Egyptian positions,

President Carter can scarcely count on forward movement unless he himself plays a much larger part than that simply of independent chairman or umpire of the discussions.

Some reports have suggested that the American President may be considering the offer of a military presence in the Middle East, as a partial guarantee for the security of the two sides in the context of moves towards a settlement: predictably, these reports have provoked Soviet reactions of unmitigated hostility, since Moscow, having been ousted from Egypt, has no desire to see itself excluded from any determining role in the settlement of the Middle East conflict.

Yet even if President Carter were to propose anything as daring as an American presence on the ground in the Middle East, it is doubtful whether this would be enough to get the negotiations moving again. Security will be a major consideration once the Israeli Government decides that it wishes to work towards the kind of settlement which the more moderate Arab countries and Palestinians are prepared to live with.

### Status quo

But the problem at the moment is that the Israeli Government gives every indication of being satisfied with the status quo. For the time being, and for the foreseeable future, the Arabs can offer no serious military threat; and with every month that passes the Israeli presence in the land seized after the 1967 war becomes more deeply entrenched. Last weekend's major demonstration by the Peace Now movement shows that a substantial number of Israelis are tired of the conflict. But they have not yet had any impact on the intransigence of Mr. Begin.

If the Arabs cannot persuade the Israelis to compromise, there may only be two alternatives: either the Middle East will return to an acknowledged stalemate, with all the risks of a flare-up, or else the U.S. must decide whether it will, for the first time, use its unquestionable leverage over the Israelis to force them to make concessions.

## Muddle-headed success story

THE TERMS of the offer for sale by the National Enterprise Board of part of the Ferranti equity must be counted a considerable triumph for the NEB's management. After intervening in a situation which the City has written off, it will now own a half share in a concern which that market values at around £50m at a net cost to itself of £6.1m, which represents a good profit even in real terms. Unfortunately the course it has now adopted, of keeping half the company as a portfolio holding, cannot be counted a similar triumph for Government thinking on the State's role in industry. It simply marks a new form of muddleheadedness.

### New departure

The formation of the NEB was supposed by its sponsors to mark a new departure in Labour thinking. The party would no longer pursue the formation of a series of State monopolies, which were supposed to represent the commanding heights of the economy, but in fact were quite often industries which had sadly decayed. Instead, Labour would follow the Italian example of IRI (a rather unfortunate one, in the light of subsequent events). It would set up a State investment and management concern which could rescue important enterprises, back the Government's regional and technological policies, and yet compete in the market place with private enterprise concerns. There would be no monopoly, and the customers would enforce efficiency.

The record of some State-owned competitive enterprises such as Renault, and indeed of some of IRI's offshoots, suggests that this approach has some potential, and a management concern such as the NEB can distance its subsidiaries from political interference. A coherent policy based on this strategy would have been a very welcome change from Labour's old approach.

Unfortunately old habits are hard to shake off, and the formation of the NEB seems to have done nothing to check the

demands for old-fashioned sectoral nationalisation. Aircraft and shipbuilding have already been nationalised as if the NEB had never been created, and vocal lobbies demand that construction and insurance should be added to the list, with the clearing banks and the building societies as possibilities for future quarry.

### Split approach

This muddle does both short-term and long-term damage. The nationalised aircraft industry has spent a summer of agonised embarrassment between its rival American and European suitors, where two independent concerns might have followed their natural bent. The nationalised shipbuilding industry, despite a federal structure imposed precisely to avoid centralisation, is already the scene of rows over remote decision-making.

The split approach incidentally damages the NEB, since its potential scope is eroded, and problems such as Leyland bulk disproportionately large in its activities. A modest success like Ferranti cannot exercise the possibility of enormous failure, as the NEB's management struggles with a brief which demands a mixture of rescue operations, interference, and straightforward enterprise. Even the portfolio holding in Ferranti is a half-way house. The NEB could either have sold the whole concern back to the private sector, and so got the City's full-scale endorsement for a triumph of State intervention; or perhaps have moved in a more Liberal-Socialist direction with, for example, a proportion of worker shares.

The real missed opportunity is the Government's. The NEB might have been the beginning of a coherent approach to State intervention in industry—an approach which could have been developed into something bipartisan, since even the Conservatives when in office have found it necessary to intervene, however unpopular this may be. Instead, the old arguments grind on, and the NEB is reduced to a number of politically determined and incompatible roles. It is a sad story.

# Why the U.S. must find 4bn barrels of oil a year

BY RAY DAFTER

THE URGENCY with which the U.S. needs to find more oil and gas—not only for itself but for the sake of energy-importing countries—may have given worldwide publicity to the recent discovery of the Atlantic coast of New Jersey. A group of six companies, led by Texaco has found both natural gas and condensate—a light oil liquid—in the new exploration region known as the Baltimore Canyon. The discovery was significant in that for the first time it confirmed the presence of hydrocarbons in that off-shore area. Any well which opens up a prospective production area must be regarded as important, all the more so seeing that oil companies had spent some £1.1bn for the right to drill there.

The oil or gas which is eventually produced from that offshore region, will help to fill part of the serious, perhaps dangerous gap that has emerged between the country's energy appetite on the one hand and its indigenous production capability on the other.

But Baltimore Canyon, even under the most optimistic assumptions, will fall a long way short of making up the deficiency in domestic production. According to the U.S. Geological Survey, total resources in the 1.25m acres of Atlantic outer-continental shelf associated with the initial three leasing deals are estimated at between 830m and 2.9bn barrels of oil and between 5.5 trillion and 19.7 trillion (million, million) cubic feet of natural gas.

### Projected reserves

To put this into perspective: if all those projected reserves were to be found and exploited they would yield enough oil to meet U.S. needs for between six and 22 weeks only, and enough natural gas to match present consumption for at most a year. Not that it will really be taken out all at once: the oil and natural gas will probably be produced over decades and, with luck, together with new reserves found in other offshore and onshore regions.

The stark fact is that the oil industry faces the challenge of adding 4bn barrels a year of crude oil to U.S. reserves, at least for 1977-85. On top of that companies need to find 17 trillion cubic feet of gas a year for the next eight years.

These targets were discussed earlier this year by Dr. Herman Fransson, of the Congressional Research Service, in a report prepared for the Energy and Power sub-committee of the House of Representatives Committee on Inter-state and

Foreign Commerce. The point he was making was that the industry needed to make these discoveries in order to maintain a 10:1 reserve to production ratio for oil and a 12:1 ratio for gas reserves and output.

In the past decade the industry has consistently failed to come anywhere near these ratios with one notable exception. In 1970 the discovery of the Prudhoe Field on the North slope of Alaska was the prime reason why 37 trillion cubic feet of gas and 12.7bn barrels

oil on to the market as possible," he said. The Petroleum Industry Research Foundation sees no physical limit to OPEC's ability to meet the demands of importers arising before 1985, although it does expect crude oil prices to rise by some 2.5 per cent above the 1978 world inflation rate annually in the early 1980s.

Other factors which will affect the level of U.S. oil imports will be a slower general growth of energy demand—the foundation

prices—is still uncertain.

The President's persuasive Congress to a crude oil conservation effort to higher prices—ever more from advisers are now for other ways domestic prices world level.

Existing legislation using domestic controls, does President with power or modify the from May, 1973. Carter has the political muscle, he could categories of pricing restrictions quantities of released from old freed for example, 34 per cent of the oil in the U.S. is a barrel, some 30 production—generally at around 55¢ per the remainder of the world price of oil.

### Profits and

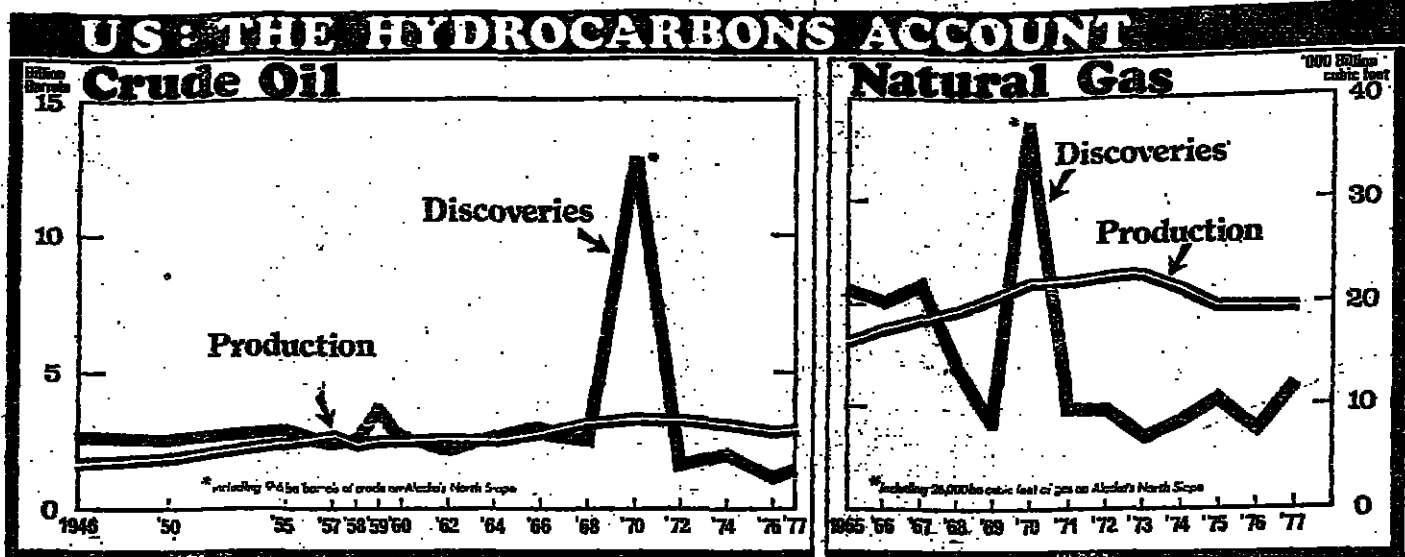
True, such provide oil extra revenue will upset the sizeable factions that feel industry is already, able and fat. On the it should not be left of presidential amend the tax system that the additional not immediately the company profits.

Plenty of oil remains to be found ing to the American Institute, only 5 per U.S. continental shelf been explored.

Geological Survey a range of undiscovered resources at 30 barrels of crude at 322 trillion and 6 cubic feet of natural

The pace with potential but far resources are exploited will stifle the shale energy policies.

Earlier last month there was some White House rejoicing because the proposed promise deal, which would end price controls on newly discovered gas by 1985, had finally received approval from the majority of a joint House-Senate conference. But the outlook for the compromise Bill—a complex, sometimes ambiguous arrangement of at least 17 different categories of gas distasteful.



The Petroleum Industry Research Foundation, in its report on U.S. oil supply and demand, said that by 1990 crude oil imports could have risen to over 10m barrels a day, some 38 per cent above the 1976 level. That does beg some questions. Will member states of the Organisation of Petroleum Exporting Countries, and in particular Saudi Arabia, be prepared to raise output in the 1980s? Or, following the present glut of oil supplies which has tended to depress prices in real terms, will OPEC hold back production in order to create a tightness of supply and a significant increase of the price of crude oil?

### No physical limit

The signs of OPEC exasperation are there. On August 8 Mr. Ali Mohammed Jaidah, the Secretary General of OPEC said in New York, that the U.S. had demonstrated a "psychological inability" to confront its energy problems. The feverish development of the North Sea and Alaskan Oil was designed to off-load as much non-OPEC

expects it to decline from 2.5 per cent in 1976-1980 to 2.1 per cent in 1985-1990—and the pace with which other energy forms are developed. Nuclear power could provide 11 per cent of U.S. energy supplies by 1990 assuming there are no more serious hold ups. If President Carter gets his way, coal production and consumption will also be significantly increased although there are environmental difficulties and difficulties of bulk transportation to contend with. The research director of the foundation, Dr. Gary Ross, says that in order to achieve even a 5 per cent increase of coal consumption the U.S. will have to ease some of its tougher environmental legislation.

Dr. Fransson sums up the prospects in his Congressional Research Service report: "Under the worst conditions, failure to design and implement an energy policy in the U.S. which will bring energy demand and supply more into balance than is suggested in this analysis could endanger the nation's national security, the world's monetary system, world economic growth and could eventually shake the very social and political foundations of the nations of the free world."

With oil and gas meeting well over 70 per cent of the U.S. energy needs (a proportion

## MEN AND MATTERS

### Putting the brake on the Mini

The arrival of October 1 will be greeted with some relief by Austin Morris. It is the date when yet another modification will be made to the braking system on the Mini—and BL, British Leyland as was, hopes that it will not lead to the same problems as the last one.

A number of Minis built since October 3 last year have been playing up. The Metropolitan Police tell me they are "aware of the problem" although it only comes out when Minis are used for "operational purposes"—in other words for hue and cry. But earlier this summer the police forces of Cheshire and North Wales ran into some difficulties. And a spokesman for Greater Manchester police says that as a result of "sporadic faults in the braking systems" 103 Minis which they had bought last December were taken off the road.

BL tells me "Any odd-ball problem always comes out first with the police. We regard the police as the ultimate test of a car." But when I asked about the various private complaints which the company has been receiving, I was told that the dual braking system introduced last October as required under EEC directives, "does seem to have increased the sensitivity to unevenness."

The company insists that it does not know of any accidents caused by this fault but says that it has issued instructions to dealers that when checking the braking system they should do so "from literally the ground upwards." BL says "a lot of cars have responded to having their master cylinders changed," when I asked what he meant by "a lot" the spokesman said he would be surprised if it were in the hundreds. As for a general re-



"No one is more worried about the prospect of unemployment than myself"

was the final decision of the Illinois Appellate Court: "The walkie-talkie was designed for communication purposes, not for the prevention of criminal attack." So the manufacturers, RCA Corporation, can breathe freely again. Which might be some consolation to the British Post Office, just in case anyone should try to collect for being unable to dial 999 during the engineers' dispute.

### Food for thought

Good news from Hotel city. There in eastern China the all-pervading shadow of the Gang of Four has at last lifted—and the ducks have returned to the market place.

Before the fall of the Four two years ago life was tough for any peasant who dared to raise a duck and sell it. That it turned out, was a heinous capitalist practice. As a result Hotel went without. But now Chinese gastronomes can breathe freely and eat easily. The policy has been reversed. The new one is being "correctly implemented" and is leading to a glut of duck. In the past ten days alone 200,000 of them came waddling out for sale in Hotel. And the blessings spread as duck for Hotel is duck for Shanghai too.

### Hard job

Whitehall is not always associated in people's minds with candour, but the Civil Service Department has no hesitation in admitting: "We have been under fire for some time." Now, worried at misunderstandings over the role of civil servants, moves are afoot. And in best civil service style they have been discussed at an inter-departmental meeting chaired by an under-secretary.

An unprecedented publicity campaign? "Well, I would not use those words. We are not image making," says Sydney

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BIDS AND DEALS

# Comben has support for its increased offer

BY JAMES GARTHOLOWE

Mr. Robert Comben, chairman of the board of directors of Comben Group, has announced that he has received support from the board for his increased offer of 14.75p per share for the company.

Mr. Comben said that the board had agreed to increase its offer from 14.50p to 14.75p per share, and that he was confident that the offer would be successful.

He also said that the board had agreed to increase its offer from 14.50p to 14.75p per share, and that he was confident that the offer would be successful.

# Fitch Lovell committed to 'noticeable' growth

THE OPERATING companies of Fitch Lovell have begun the current year committed to achieving results noticeably ahead of those recorded over the last year.

Mr. Michael Webster, the chairman, says in his annual review.

The group is stronger for the experience of a difficult year in 1977-78, and plans for the current year have been made on the assumption that conditions in the food industry could remain difficult.

Last year profit before tax fell from £7.98m to £6.22m on sales ahead from £446.92m to £391.25m.

For the future the Board is seeking increased involvement in the manufacturing sector where higher margins are available and where opportunities have been identified.

The group is also engaged in the planned development of its wholesale interests in particular in the catering and institutional trade.

Directors also believe that long-term growth through investment in new stores can be achieved in the multiple retail sector.

Since the year-end the group has formed a new sector—agriculture, fisheries and food—and directors are confident of the overall benefit of its involvement in agriculture.

The Board has authorised projects and re-equipment totalling some £25.5m. At least £10m will not be incurred in the current year.

One of the projects will be a new abattoir—built to EEC standards at Burton-on-Trent. On the meat side improvements are being made to the main factory, while plans have been made for an entry into the French market with its frozen poultry products after the expansion last year of exports to Holland and Germany.

The company is also confident of future growth in frozen foods and current forecasts indicate a

MINING NEWS

# Texasgulf still likes copper

BY KENNETH MARSTON, MINING EDITOR

THE RECENT recovery in copper prices on the London metal exchange from under £700 per tonne in mid-July to the current £735 is being viewed with caution by the producing industry.

Many observers feel that the movement is premature and may fizzle out, while others wonder if it may draw strength by encouraging some re-stocking by consumers.

All are agreed that copper and other base-metal prices must rise strongly in the long term, if only because there are virtually no major new mines being developed and few of the existing operations are making money at the present price levels.

Taking the view that there will be a shortage of copper within just a few years, America's Texasgulf is one of the few companies to be pressing ahead with a major capacity expansion.

Canada's Northern Miner reports that the completion of the company's Canadian \$515m (£385m) Kidd Creek mine and mill expansion is expected in 1981.

Shortly after this the \$257m copper smelter and refinery complex at Kidd Creek will be completed. The complex will have an initial production capacity of 65,000 tonnes of refined copper per year.

Operating costs at the Kidd Creek operation are the lowest in the world for an underground mine.

Also looking hopefully to the future is another U.S. mining giant, Newmont Mining. Its Canadian subsidiary plans a \$220m project to expand production at its existing Mountain View operation near Princeton in British Columbia.

Studies carried out on the potential open-pit mine have added some 100m tonnes to existing reserves. In this case no immediate increase in production is planned, but the Copper Mountain deposits will add many years to the life of the Similkameen operations.

A different story comes from Peru, however, where Japan's Itochu Corporation and the Peruvian state mining concern, Minera Peru have decided to freeze a \$600m (\$300m) joint copper project because of the poor state of the world copper market.

Announcing this, Mitsui Mining and Smelting said that realisation of the project would be impossible unless the world price for refined copper rose to close on one dollar per pound from the present level of just over 60 cents.

## JENTH 224p FOR WM. MOWAT

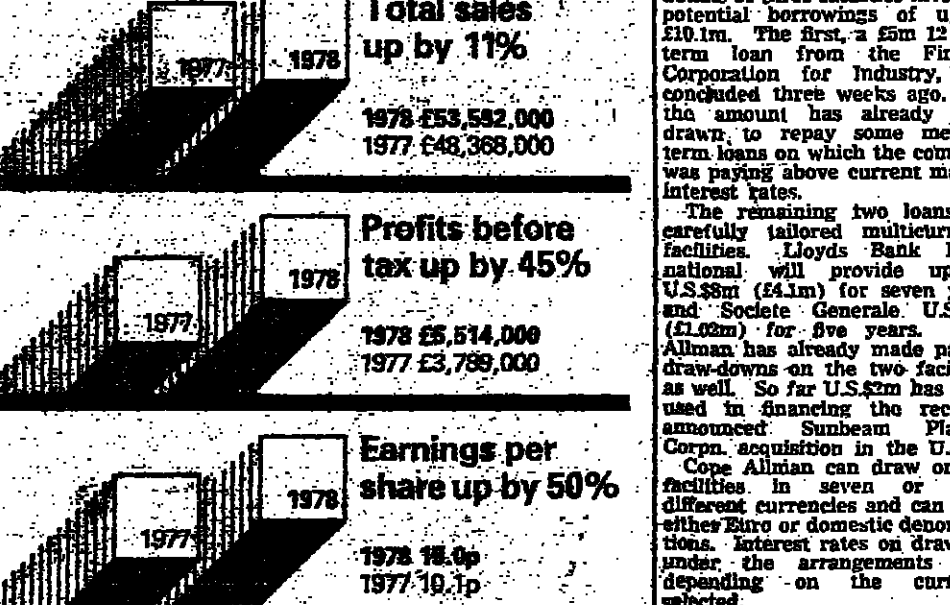
The Board of Wm. Mowat and Co., the property and wood treatment company, is considering an offer by Jenth to acquire the company at 224p per share. This offer, announced last week, came out of a long-running takeover battle. The Jenth group, which has been in the market for some time, has now made its offer public. The offer is for 224p per share, which is a significant increase on the previous offer of 200p. The Jenth group has also announced that it has received support from the board of Wm. Mowat and Co. for its offer.

## HELIACAL BAR

Abingworth has exercised its conversion rights on the holding of £150,000 11 per cent convertible preference shares.

## H & R Johnson-Richards Tiles Ltd. MANUFACTURERS OF Cristal Ceramic Wall & Floor Tiles

### Summary of results FOR THE YEAR ENDED 31st MARCH 1978



Additional comments by the Chairman at the Annual General Meeting held on Wednesday 30th August 1978.

Trading during year to date satisfactory. Board continues to look forward to a year of steady progress.

Continuance of statutory dividend control prevents immediate payment of substantially higher dividends, but this remains Board policy and position will be kept under continuing review.

REGISTERED OFFICE: HIGHGATE TILE WORKS, TUNSTALL, STOKE-ON-TRENT ST6 4JX. REGISTERED NO. 308989 ENGLAND.

## G. R. FRANCIS GROUP LIMITED

### Satisfactory results in a difficult year

SUMMARY OF RESULTS	1978	1977
Year ended 31st March		
Sales	£4,858,510	£4,224,577
Net profit before tax	£228,773	£241,136
Proposed dividend per share	3.50p	3.57p

### Review by the Chairman Mr. G. R. Francis

Although trading conditions generally continue to be difficult, I am pleased to be able to report another satisfactory year for the Group.

Turnover for the year to 31st March, 1978, was 15% higher than for the corresponding year, whilst margins continue to be maintained at a level sufficient to retain very acceptable return on capital employed. The net profit for the year of £228,773 reflects a second half profit of £130,360, an improvement of 32% compared with the first half.

We are continuing to expand our product range and are encouraged by the results which have assisted in maintaining our share of a depressed market.

In the circumstances your Directors have no hesitation in proposing that the dividend be again increased by the maximum amount permitted to 3.50p per share.

We have given consideration to the Stock Exchange recommendation concerning inflation accounting but have decided that, with the continuing uncertainties, it is not appropriate to present the inflation adjusted statement this year, but we shall continue to carefully monitor, and assess, the situation.

Heating and Plumbing Merchants—BIRMINGHAM

## EIS achieves 32% profit advance in first half

WITH TURNOVER up £4.2m to £10.8m, profit before tax of £1.1m and Industrial Securities rose 32 per cent from £662,500 to £874,900 for the first six months of 1978.

Mr. M. Q. Walters, the chairman, says order books throughout the group are good and, given continuity of production, second half results should be as good as those reported.

For the whole of 1977, a record £1.1m pre-tax profit was achieved.

After half-yearly tax of £459,800 (£368,400) extra-ordinary credit last time, available profits for the period advanced from £181,000 to £415,300.

Stated earnings, before extraordinary items, advanced 25 per cent and the interim dividend is lifted from 0.975p to 1.0725p net, costing £123,500 (£113,000)—last year's final was 2.10p.

The chairman reports that Kontak's performance was encouraging. There has been a recovery in orders for jet engine products and demand for hydraulic components for the agricultural equipment industry remains strong.

The board has approved the expenditure of some £1m for a major programme of expansion which will involve factory extensions and installation of additional plant designed to enable Kontak to increase the production of 100,000 hydraulic cylinders by about 50 per cent by the end of 1978.

Hick Hargreaves enjoyed uninterrupted production in the first half of the year and achieved a useful increase in turnover and profit compared with the same period of 1977, although still below the high levels achieved in 1976. The modernisation of its factory has been completed and improvement to plant and factory layout continues, says Mr. Walters.

Although turnover and profit of Hick Watson were lower than in the first half of 1977, owing to frustration of deliveries to customers in certain countries suffering from political unrest, its results remained satisfactory, he adds.

C. F. Taylor is trading profitably, its order book is good and its integration into the group is being accelerated steadily. The directors are confirmed in their view that it will benefit from the group's ownership and that its acquisition will prove of long-term benefit.

## Cope Allman restructures borrowings

Industrial conglomerate, Cope Allman International, is gearing up for further expansion both domestically and overseas.

The company has announced details of three facilities involving potential borrowings of up to £10.1m. The first, a £5m 12 year term loan from the Finance Corporation for industry, which amount has already been drawn to repay some medium term loans on which the company was paying above current market interest rates.

The remaining two loans are carefully tailored multicurrency facilities. Lloyds Bank International will provide up to £2.55m (£4.1m for seven years) and Societe Generale (£5.2m (£10.2m) for five years. Cope Allman has already made partial draw-downs on the two facilities as well. So far £5.2m has been drawn on the Societe Generale loan, while the Finance Corporation loan has been announced.

Cope Allman can draw on the facilities in seven or eight different currencies and can elect either Euro or domestic denominations. Interest rates on drawings under the arrangements vary depending on the currency selected.

At the end of June, 1977, total group borrowings were £18.9m and it is believed that borrowings for 1977-78 will finish around £22.1m. As £2.5m of the arrangements has been used to repay existing loans, the maximum addition to group borrowings is £7.5m. But it is likely to be another 12 months before the facilities are fully utilised. To date the net addition to borrowings is about £1.5m.

## ADDA EXTENDS PARK PLAZA

ADDA International has finalised details for the construction of an extension to the Park Plaza Hotel in London consisting of 78 rooms, all with private facilities. The extension is scheduled for opening in spring, 1980.

## Dares Estates pays interim

With its net profit in the June 30, 1978 half year ahead from £98,513 to £141,158 Dares Estates has declared a 2.5p per 10p share interim dividend.

Last year a 0.5p single payment was made on total net profits of £59,000.

## CELESTION INDUSTRIES

Mr. D. D. Prens (Chairman) reports on the year ended 1st April, 1978.

**MAJOR ACQUISITION**  
Wood Bastow Group, garment suppliers to Marks & Spencer, and manufacturers of "Silk" swimwear, acquired in November 1977.

**TURNOVER INCREASE**  
From £12,389,000 to £20,033,600.

**PRE-TAX PROFIT**  
Up from £1,083,416 to £1,178,527.

**HIGHER DIVIDEND**  
Net dividend 7.5p per share against 4.25p last year. (65p forecast at time of Wood Bastow acquisition).

**EXPORTS UP 50%**  
From £3,348,000 to £5,060,000.

**PROSPECTS**  
More encouraging prospects for current year and further growth expected in future.

Copies of the Report and Accounts may be obtained from the Secretary.

Celestion Industries Limited,  
130 Mount Street, London W1Y 5HA.  
Telephone: 01-499 5641.

## Hampton Areas Seeking Small MINE VENTURES

The London-based Hampton Gold Mining Areas, whose basic income source consists of royalties on part of Western Mining's nickel production at the Kamdela mine in Western Australia, continues to look for further investment possibilities. A recent major acquisition was that of the United coal mining machinery group in Yorkshire which has exceeded its 1977-78 profits forecast.

## Midway rise for Scottish Eastern Trust

From gross income of £2,521,573 compared with £2,193,472 last time, taxable profit of Scottish Eastern Investment Trust advanced from £1,918,673 to £2,238,161 in the July 31, 1978 half year.

After tax of £576,589 (£738,452) net profit emerged at £1,661,572 against £1,459,221.

Earnings per share are given as 184p (138p) and a net interim of 2p (125p) per 25p share has already been announced.

## Long term growth seen by Benn Bros.

The investment of resources for the long term benefit of Benn Brothers publishing interests has ranged over a wide area and the directors are confident that it will act not only as a consolidation of existing interests but also as a springboard for future profitability, says Mr. Richard Woolley, the chairman, in his annual statement.

At the same time, the group is continuing to remain alert to any opportunity to strengthen its position by capital investment in the purchase of other publications. During the year, the Retail Chemist and its associated price list, the Red Book, were brought from IPC Business Press for £240,000.

As reported on August 10, pre-tax profits dipped from £758,118 to £714,887 in the June 30, 1978 year, after exceptional losses of £225,000 (£168,000) relating to redundancy payments on the closure of the Press at Combehead printing operation. Last year's item was a lump-sum pen-

## Prus sets up life branch in Amsterdam

Prusential Assurance intends to expand its business in the Netherlands, where at present it markets general insurance through a local agent, by setting up a life assurance branch in Amsterdam.

Prusential Levens, as the new operation will be called, should start functioning early next year. It will offer whole-life and endowment assurance and a wide variety of savings policies tailored to match the competition in the Netherlands.

The group already has a life assurance subsidiary, L'Escaut, in Belgium, but the EEC (other than the UK) accounts for only 0.8 per cent of the group's ordinary life assurance premium income in 1977.

In its 1977 annual report the Prusential noted that the Dutch market for general insurance had been very competitive and its underwriting experience poor.

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## Exports up 50%

From £3,348,000 to £5,060,000.

# Dopo il fatto, il consiglio non vale

(When a thing is done, advice comes too late)

Nowhere is this ancient proverb truer than in the international banking and commercial world. Which is why you will always find an understanding listener in Credito Italiano's London office at the "first thoughts" stage of any project you are planning.

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# APPOINTMENTS

## International Treasurer

### YOUNG ACCOUNTANT

for a highly respected American company making sophisticated equipment based on electronics technology. This is a new appointment to the small European headquarters staff in London, on which management of Eastern Hemisphere operations is based.

• **PRINCIPAL** responsibility to the finance director is for the management and control of funds in the region, taxation matters, and for a close involvement in the risk management of assets generally.

• **THE** need is for a qualified accountant with well above average capacity across a range of financial activity in an international corporate environment, rather than for substantial treasury experience as such.

• **AGE** probably late 20's. Remuneration around £12,000 with excellent additional benefits.

Write in complete confidence  
to A. Longland as adviser to the company.

## TYZACK & PARTNERS LTD

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## Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

### FOREIGN EXCHANGE ADVISOR

c. £9,000  
We have been asked by a well-known international corporation to assist in the recruitment of a Foreign Exchange Advisor, to be based at European Headquarters in London.

The person appointed will work as a member of a team involved in management of the company's Foreign Exchange exposures; within this team, he or she will play a central role in developing and implementing Foreign Exchange hedging strategy, as well as advising operating departments on their Foreign Exchange problems.

The position therefore requires an in-depth knowledge of Foreign Exchange markets, which will have been gained in an international banking environment or in the Treasury Department of a multinational company. Candidates, ideally aged 25-35, should additionally hold a university degree or a professional qualification and possess good analytical and communicative skills.

Contact: SOPHIE CLEGG or KEN ANDERSON

### EUROBOND DEALER

£8,000/£10,000  
An international investment company, currently expanding its activities, seeks an experienced Eurobond Dealer. Candidates will ideally be aged between 23-30, with a minimum of two years' experience gained in both primary and secondary markets and accustomed to working in a busy dealing-room. Comprehensive knowledge of back-up work is essential.

Contact: NORMA GIVEN or RICHARD MEREDITH

### 280 YOUNG BANKERS

£3,300/£10,000  
We can currently offer a wide selection of openings in most fields and levels of banking. These include Loan Administration (£4,500-£5,500), Credit Analysis/Control (£7,500), Export Finance (£7,500), Documentary Credits (£5,500), Bills (£4,000), Foreign Exchange/Deposit Dealing (£7,000-£10,000), Eurobond Settlements (£5,000), Audit (£4,700), Accounts (£4,200), General Banking Operations (£3,300), and others.

Contact: KEN ANDERSON or ROY WEBB

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

## GENERAL MANAGER

### Large Trading Group in Middle East

An opportunity exists in the Middle East for an outstanding senior executive of genuine provable ability with a track record of at least 15 years in management of trading or similar entrepreneurial concerns.

Candidates must have a wide ranging knowledge of all aspects of international trading and particular skills in organising and running a multi-divisional company with branches.

The post will be that of General Manager and the rewards will be extremely attractive to an appointee of the right calibre.

Terms will include incentive in the form of profit sharing.

Applications in writing with full curriculum vitae to Box A6455, Financial Times, 10, Cannon Street, EC4P 4BY.

## Director and Secretary

The Plant Royalty Bureau Ltd.

The Plant Royalty Bureau is responsible for the licensing of plant varieties, the collection of royalties and the general administration of plant breeder's rights. In addition the Bureau acts as Secretaries to the British Association of Plant Breeders.

The present Director has been appointed to a position in the International Union for the Protection of New Varieties of Plants in Geneva.

Applications are invited from candidates who have all or some of the following:

• Experience of working in industry, and with Trade Associations and Government Departments  
• An understanding of legal problems - if not actual legal training  
• High level administrative experience, and -  
• International experience with a working knowledge of French and German

A substantial and negotiable salary will be paid and a car provided. Other benefits are commensurate with the senior nature of the position. Write, in confidence, giving full details of career and present salary to:

The Chairman of the Committee,  
The Plant Royalty Bureau Ltd.,  
Woodcock Chambers,  
Market Street, Bly, Cambs.

## THE CUSTOMS FUND

## SECRETARY - CHIEF EXECUTIVE

The Directors of the Customs Fund are looking for a successor to the present Secretary and Chief Executive who is due to retire in April 1979. The Customs Fund is an independent undertaking established by Act of Parliament and carries out various forms of life insurance and savings schemes to Customs and Excise personnel and their families. The Fund maintains its own life fund and is advised by a consultant actuary.

The successful applicant will assume day-to-day responsibility for an expanding and forward-looking insurance business, an appointment calling for dedication and all-round abilities with special emphasis on marketing, underwriting and investment. The Secretary needs to have a working knowledge of law and accountancy, is in charge of a small but experienced staff and is responsible to a non-executive Board composed of officials and past officials of Customs and Excise.

No age limits are stipulated for this unusual and challenging post but it is thought that a suitable blend of qualities and experience could be found in a candidate of approximately 40 years of age. The conditions of employment of the Fund staff closely follow those of the Civil Service and there is an approved pension scheme, for the administration of which the Secretary is responsible.

The salary will depend on the calibre of the successful candidate but it is not likely to be less than £8,000 a year. The appointee will be expected to take office as Secretary-designate early in February 1979.

Applicants should apply in writing to the President, The Customs Fund, King's Beam House, Mark Lane, London EC3R 7HE, marking the envelope SECRETARY in the top left-hand corner and enclosing details of education and career and of any professional qualifications.

## HQ. Accountant to £10,000

A major British engineering Group requires a qualified accountant at its headquarters located West of London.

The position represents a rare opportunity to demonstrate initiative and enterprise and to work with minimal supervision on a wide range of activities including:

- Financial planning and control
- Project work in the UK and overseas
- Consultation with external professional advisers

The new appointment offers career advancement opportunities into the 1980's. Candidates, male or female, aged 30-35 must have at least two years' post-qualification professional experience.

Write or telephone for the client company's application form quoting ref. 926.

## Charles Barker-Coulthard

30 Farringdon Street, London EC4A 4EA  
Telephone 01-236 0526

## SALES MANAGER POLYPROPYLENE

A LEADING PRODUCER OF PETROCHEMICAL PRODUCTS IS EXPANDING ITS SALES ACTIVITY IN POLYPROPYLENE.

This well known company is looking for area managers who will be responsible for the sales activities in the United Kingdom and some European countries. This position requires a man/woman capable of negotiating at a high level. Based in the U.K., he/she will be in direct contact with customers and distributors. Age is not a limiting factor, but some extensive travelling is involved and a high level of experience is required. The right man/woman will probably be a university or technical school graduate with a minimum of 4 years' professional experience in plastics, or have a proven record in Polymer sales. Training at the company's headquarters abroad will give the successful candidate the special knowledge required for this field. A command of one continental language is an asset. In addition to remuneration and expenses, the successful candidate will have an excellent opportunity of developing his/her skills in an international environment. Strict confidential treatment of applications is guaranteed.

Write Box F.1048, Financial Times,  
10, Cannon Street, EC4P 4BY.

## UNIVERSITY APPOINTMENTS

### UNIVERSITY OF ASTON IN BIRMINGHAM

#### MANAGEMENT CENTRE

Lecturers in Business Policy (Ref. No. 296/77) (2 posts)

Candidates should have a degree or a professional qualification with research or teaching experience in the field of significant relevant practical experience.

Business Policy is a rapidly developing subject area in the Management Centre and further developments in research as well as teaching on Postgraduate, Undergraduate and Continuing Education programmes would be encouraged.

The following appointments are within the Economics, Economics, Statistics and Marketing Subject Group:

#### LECTURESHIP IN ECONOMICS

(Ref. No. 297/77)

#### & LECTURESHIP IN ECONOMICS AND STATISTICS (Ref. No. 298/77)

The successful applicant for the Economics Lectureship will be expected to contribute to the Undergraduate and Postgraduate teaching programmes in Economics and to undertake Postgraduate research in his or her speciality. The successful applicant for the post in Economics and Statistics will be expected to contribute mainly to the Undergraduate and Postgraduate teaching programmes in Economics, but also be expected to undertake some teaching of Statistics.

It would be an advantage if the applicant had an interest in, or practical experience of, macro-economic and financial issues, and candidates will also have some administrative responsibilities.

#### SENIOR LECTURESHIP IN MARKETING (Ref. No. 299/77)

The successful applicant will be expected to contribute to the Undergraduate and Postgraduate teaching programmes in Marketing and to undertake Postgraduate research in his or her speciality. The successful applicant for the post in Economics and Statistics will be expected to contribute mainly to the Undergraduate and Postgraduate teaching programmes in Economics, but also be expected to undertake some teaching of Statistics.

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Applications in writing with full curriculum vitae to Box A6455, Financial Times, 10, Cannon Street, EC4P 4BY.

## LEGAL NOTICES

### IN THE HIGH COURT OF JUSTICE

Chancery Division, Companies Court. In the Matter of:

THE SMOOTH SET LIMITED

NOTICE IS HEREBY GIVEN that the Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 21st day of August, 1978, presented to the said Court by the Comptroller of Customs and Excise of King's Beam House, 39-41 Mark Lane, London EC3R 7HE.

And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1978, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his solicitor or by counsel, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the requisite charge for the same.

G. F. GLOAK

39-41 Mark Lane, London EC3R 7HE.

Solicitor for the Petitioner.

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NOTICE is hereby given that the Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 21st day of August, 1978, presented to the said Court by the Comptroller of Customs and Excise of King's Beam House, 39-41 Mark Lane, London EC3R 7HE.

And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 18th day of October 1978, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his solicitor or by counsel, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the requisite charge for the same.

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G. F. GLOAK

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## BOND DRAWINGS

NOTICE OF REDEMPTION TO HOLDERS OF  
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UNCONDITIONALLY GUARANTEED BY  
COURTAULDS, LIMITED

NOTICE IS HEREBY GIVEN that pursuant to Condition 5 of the terms and conditions of the Loan and Clause 2 of the Trust Deed dated 5th day of October 1970 between Courtaulds International Finance N.V. (the "Company"), Courtaulds, Limited, "The Guarantor", Lloyds Bank, Limited, the Trustee, the Bonds bearing the following serial numbers have been drawn for redemption on 1st October 1978 by operation of the Scheme Fund at the redemption price of 100% of the original amount thereof. The redemption amount of each Bond is set out in the table below and payable on 1st October 1978. Interest on each Bond shall cease to accrue on and after such date.

100	185	195	202	211	216	221	226	231	236	241	246	251	256	261	266	271	276	281	286	291	296	301	306	311	316	321	326	331	336	341	346	351	356	361	366	371	376	381	386	391	396	401	406	411	416	421	426	431	436	441	446	451	456	461	466	471	476	481	486	491	496	501	506	511	516	521	526	531	536	541	546	551	556	561	566	571	576	581	586	591	596	601	606	611	616	621	626	631	636	641	646	651	656	661	666	671	676	681	686	691	696	701	706	711	716	721	726	731	736	741	746	751	756	761	766	771	776	781	786	791	796	801	806	811	816	821	826	831	836	841	846	851	856	861	866	871	876	881	886	891	896	901	906	911	916	921	926	931	936	941	946	951	956	961	966	971	976	981	986	991	996	1001	1006	10
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## Credit Commercial profits setback

PARIS, Sept. 4 (AP)—

between mid-1977 and mid-1978, M. Leveque said, adding that the growth would not have reached even that level were it not for the bank's efforts to increase its activity in export credits, to escape the regime of credit expansion ceilings imposed by the government.

During the same period, clients' deposits had expanded by 11.3 per cent, rather more than the level of consumer prices, inflation, and the bank's balance sheet, which had risen by 10.5 per cent. FFR 30.3bn. The revised earnings outlook was affected abov all by provisions made to cover certain bad risks, but also by an increased tax burden under legislation introduced at the end of last year.

On the positive side, M. Leveque said that the resurgence of the stock market in the aftermath of the centre-right government's election victory had enabled the bank to expand its specialised financial services and enable activity in long-term finance for both private and public sector enterprises had

## Poclain drops Derruppe

be able to concentrate more heavily on its own main product lines, notably hydraulic excavators, of which it is the world's leading manufacturer.


This increasing specialisation, which also embraces mobile cranes and hydraulic components, conformed to its agreements with Case Tenneco of the U.S. and Volvo of Sweden, which became shareholders last year, the company said.

It said that IBH, with a turnover equivalent to about £100 million a year, would be better placed to guarantee Liebherr's future, being more specialised in construction equipment.

## Swiss banks cut rates

By Our Own Correspondent  
ZÜRICH, Sept. 4.

SWITZERLAND'S FOUR biggest commercial banks have reduced the interest rate for their overdrafts from the counter medium-term bonds issued from today, writes John Wicks of the "Kassenobligationen," which is among key indicators for Swiss capital-market rates. It has been reduced by 0.25 per cent to 2.5 per cent on three and four-year maturities. The five and six-year maturities and the seven and eight-year maturities have been reduced by a similar 0.25 per cent to 2.75 per cent and 3 per cent respectively.



# Province de Québec

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**Agent Bank**

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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Canadian Government turns down Ex-Cell-O

OTTAWA, Sept. 4. — The Canadian Government has rejected a proposal by Ex-Cell-O Corporation, Detroit, to acquire control of Davidson Rubber Ropelle Realty and the branch business of McCord Corporation, all of Port Hope, Ontario, which are ultimately controlled by McCord Corporation of the U.S., reports AP-DJ.

Davidson Rubber manufactures automotive instrument crash pads and armrests. Ropelle Realty is a holding company and the branch business of McCord Corporation is engaged in the distribution of automotive products.

The proposal was rejected because it did not provide "significant benefit to Canada" as defined under the Foreign Investment Review Agency.

The Government accepted a proposal by Pacific International, a U.S. resident, to establish an automotive air filter manufacturing business in Sherbrooke, Quebec.

Steel Company of Canada, the country's largest steel producer, is boosting tin mill prices with effect from October 1. Tin plate goes up 3.3 per cent. Dominion Foundries, Hamilton, is putting up sheet prices 4.4 per cent on October 2. Stelco earlier raised plate 6.3 per cent with effect from September 10. These prices are likely to stick, reports Robert Gibbons from Montreal.

Monenco, the largest Canadian consulting engineering group, had operating earnings of C\$3.1m, or C\$1.07 a share in the first half against C\$2.2m, or 75 cents (excluding special items), reports our Montreal correspondent. Revenues C\$51m against C\$49m.

## AIB record profits

By Our Financial Staff

ATLANTIC International Bank, the City consortium bank, reports record pre-tax profits of £285,984 for the year ended June 30, 1973, an increase of 26 per cent compared with last year's figure of £201,366. Profits after tax rose by 28 per cent to £223,345. At the year end total assets stood at £135,059,965.

In his statement the chairman, Mr. Hilton S. Clarke, says that the growth of loan business has continued at a satisfactory rate, although somewhat restrained in sterling terms by the strengthening of the pound against the dollar. Activities have been mainly focused on Europe and Latin America.

## U.S. GAMING STOCKS

## Setback for the punters

WALL STREET'S fever for gaming stocks, which took this sector of the market to new highs last week, was suddenly subjected to an ice-cold shower by the weekend. It was an unpleasant experience for investors, but probably, brokers argued, a healthy one.

It started with reports from a number of brokers recommending greater care and discrimination among investors seeking a way to cash in on the gaming stock boom. Then came news from A. G. Becker, a leading brokerage house, that it would require 100 per cent of the purchase price of the five leading gaming stocks: Resorts International, Playboy, Ramada Inns, Caesar's World and Bally Manufacturing.

Finally, as Wall Street was preparing on Friday for the long Labor Day holiday week, a rumour swept the market that the New York Stock Exchange planned to invoke a 75 per cent initial margin requirement on gaming stocks.

The NYSE has imposed, as from next Tuesday, a 75 per cent margin requirement on day trading in Caesar's World, Harrah's, Playboy and Ramada Inns. In other words, speculators must put up 75 per cent of the cash to buy these shares instead of relying on brokers' credit.

Gaming shares tumbled in the closing minutes of Friday's session.

Caesar's World headed the way with a loss of over 86 with Harrah's close behind with over 54.

These moves seemed to point to growing doubts about the gaming boom, based mainly on the fact that, for all the excitement, little is actually happening.

Although at least a dozen gaming-related stocks are being actively traded, with five of them appearing regularly in the most active list, few of the companies involved have much to show for their announced intention to open casinos in Atlantic City, the resort which recently became the only place outside Nevada where public gaming is allowed.

As of the end of last week, only two companies, Bally and Caesar's World, had applied for gaming licences to the New Jersey authorities, excluding

Gambling issues tumbled last week following reports that brokers were recommending greater care and discrimination among investors and action by the New York Stock Exchange invoking a 75 per cent margin requirement on certain companies. DAVID LASCELLES in New York analyses the problems confronting gaming stocks

Resorts International, whose casino — the first and only one so far — whose phenomenal success sparked off the rush — and at the same time only one of the Nevada-based gaming companies seeking to start in Atlantic City had applied for the necessary permission from the Nevada Gaming Control Board. This was Caesar's World whose Casino Caesar's Palace features large in Las Vegas.

At the end of last year, Nevada made into law a previous regulation forbidding "State-registered casinos without its consent. Although it has been questioned whether this law is constitutional, it could prove a major hurdle. One of its main provisions is a catch-all clause which says that permission can be withheld in cases where "foreign" operations would be a threat to its own industry. Presumably Nevada could argue that the growth of Atlantic City as a gaming centre poses a threat to its own industry.

The progress of the Caesar's World application is therefore being watched with interest.

The timing of other companies' plans for Atlantic City is also uncertain in many cases. One of the most actively traded stocks, Ramada Inns, is a case in point. All it has done so far is to register with the SEC a proposed public offering of \$75m, saying that it is contemplating entering the gaming industry. Harrah's, also high on the active list, is even less progressed. A spokesman said last week, "We have nothing as yet. We're just looking at it."

Last week, the SEC also took the unusual step of suspending trading in three companies who have expressed interest in Atlantic City: Houston Complex, Network One (both of Los Vegas) and American Land of New York. The Agency acted "because of questions concerning the recent unusual market activities in these securities" and gaming licences to the New Jersey authorities, excluding

tion due to start in Atlantic City. Caesar's World, which has no casinos in the state, is still to apply for Nevada gaming licences. Caesar's, however, announced plans for a casino/hotel complex, but yet to apply for Nevada gaming licences from New Jersey or Nevada.

The two clear front-runners in the race are Caesar's World and Bally Manufacturing, but it is an open question how they will fare between now and their hoped-for opening dates. Next week, Caesar's hopes to get them on June 1. But unlike Bally, which has no casinos in the state, Bally Manufacturing has machines. Caesar's, on the other hand, has no machines, but is still to apply for Nevada gaming licences. Caesar's, however, announced plans for a casino/hotel complex, but yet to apply for Nevada gaming licences from New Jersey or Nevada.

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August 1978



# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## IHI passes interim dividend

TOKYO, Sept. 4.

Ishikawajima-Harima Heavy Industries Ltd. (IHI) has announced that it will not pay an interim dividend for the first half-year, ending on September 30, because of a decline in its shipbuilding division, reports from the company.

IHI said that sales in the shipbuilding division in the half-year were about half the ¥130bn (\$675m) in the same period last year, with sales after-tax profit falling sharply from ¥6.5bn.

The company paid a first-half interim dividend of ¥3 last year.

Last week, Mitsubishi Heavy Industries (MHI) said that it proposed to omit its interim dividend for the six months to September 30 (¥3 in the previous year), because of a slump in its shipbuilding division.

Other major Japanese shipbuilders are thought likely to take similar decisions.

Our Financial Staff writes: Both IHI and MHI have asked their labour unions to accept plans to cut their capacities by about 40 per cent. It was announced last month. This follows the release in July of 1977 of the shipbuilding industry's Rationalisation Council plan to cut the country's shipbuilding capacity by 35 per cent, and for the largest seven shipbuilders to lower capacity by 40 per cent. The higher rate for the large shipbuilders reflects their scope to redeploy workers.

## Record profits again from Petersville

BY OUR OWN CORRESPONDENT

PETERSVILLE, Australia.

The diversified food products group, which has reported its third successive record profit in the year to June 30, has reported a 35.7 per cent increase in earnings to A\$5.1m (U.S.\$10.2m), on sales up 15.9 per cent, from A\$3.9m to A\$4.5m (U.S.\$9.3m).

The directors have increased the dividend from 6.25 cents a share to 7 cents with a final dividend up from 1.25 cents to 3.75 cents, after an unchanged interim payment of 1.25 cents.

The rise comes after a one-for-six share issue last October and a one-for-10 scrip issue made with last year's profit announcement.

The latest result is attributed by the directors to the successful launching of a number of new products, continued emphasis on cost control and increased efficiency from a higher level of capital spending.

The interim profit rose 35.7 per cent, from A\$3.25m to A\$4.4m, while the final half saw earnings increase 34.9 per cent, from A\$3.25m to A\$4.35m.

The directors said: "There was some recovery in margins in important areas in the last quarter and operating earnings per sales dollar improved from 2.7 cents to 3.2 cents. Birds Eye frozen foods, Edgell canned food and Presto smallgoods were major contributors to earnings. Although results were slightly lower, sales of Socomin

imported foods showed a healthy increase on the previous year.

The result was also affected by substantial increases in meat exports to Asia and the U.S. It is after tax of A\$4.2m (A\$4.17m previously) and after allowing A\$76,554 for trading stock valuation adjustment. Depreciation and amortisation came to A\$2.7m (A\$3.52m) while interest increased from A\$2.52m to A\$2.72m. The profit is struck before an extraordinary loss of A\$89,000, which compares with last year's A\$48,000 extraordinary gain.

The earnings rate increased to 19.4 cents a share, against 15.7 cents a share (adjusted for the increased capital). Net tangible asset backing was steady, at A\$1.42.

SYDNEY, Sept. 4.

THE RESOURCES of the Philippine commercial banking system grew by a monthly average of 1.5 per cent during the first seven months of 1978 and totalled 78,284.20 Pesos, 23.3 per cent higher than a year ago, the central bank said today.

While assets of private domestic banks, which accounted for 88.1 per cent of total resources, rose by 0.9 per cent, the assets of local branches of foreign banks decreased by 5.6 per cent resulting in a lower growth rate for the total banking system, the central bank said.

It said that demand for funds to service credit needs and to settle maturing money obligations and other borrowings caused a dip in liquid assets of 47.1m Pesos, or 4.9 per cent after the deposit base showed an expansion of 46.8m Pesos, or 1.2 per cent.

Loans and investments went up by 51.3m Pesos, or 0.8 per cent while money market borrowings dropped by 7.6 per cent, or 7.6m Pesos, the bank said.

It added that other borrowings also went down by 7.2m Pesos, or 5.5 per cent, which was the result of the 1bn Peso decrease in payables of branches of foreign banks offset by the 210m Peso rise posted by domestic banks.

AP-DW

## Growth at Philippine commercial banks

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AP-DW

## Further improvement at Adelaide Steamship

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 4.

ADELAIDE STEAMSHIP Company, the industrial group which has been following an aggressive diversification programme, has raised its dividend after a 21 per cent profit rise in the year to June 30.

Group earnings increased from A\$4.4m to A\$5.27m (U.S.\$10.5m). The dividend is up to 10 cents a share after the interim payout of 3.75 cents a share to 4.5 cents and an increase in the final dividend from 5 cents to 5.5 cents.

Commenting on the results, the directors said that the group's profit had doubled in the last two years. "The board is budgeting for further overall improvement in the current year notwithstanding that tax expenses will increase," they said. Tax rose from A\$655,000 to A\$937,000 after allowance for trading stock valuation relief of A\$193,000.

The group, which operates in real estate, towage, engineering, building supplies, agriculture (vineyards), spectacle manufacturing and investment, reported a 60.4 per cent sales increase, from A\$40.33m to A\$64.69m (U.S.\$134.4m).

For the first time profit includes contributions from two subsidiaries, Rayners Holdings, the engineer, and chemical and food offshoot, Abel Leuben, amounting to A\$88,000. "The result excludes extraordinary items of A\$4.63m (A\$3.85m previously), interest of A\$3m (A\$2.3m) and depreciation of A\$1.11.

Directors said that the majority of extraordinary items represented profit on the sale of Coal and Allied Industries, and capital gains arising from the merger of a section of the company's towing interests.

NET PROFITS of the Dead Sea Potash Works rose by 86 per cent to the equivalent of \$17m in the fiscal year 1977-78.

Sales of potash increased by 45 per cent to 1.25m tonnes. Exports, which accounted for 86 per cent of total sales, brought in \$49m—an increase of 32 per cent. Production was stepped up by 18 per cent to 1.2m tonnes.

The management proposes the distribution of a 15 per cent final dividend, in addition to the 15 per cent cash interim dividend already paid, as well as another 25 per cent in the form of bonus shares. Nearly all of this will be paid to Israel Chemicals, the Government body for publicly held chemical concerns which also includes Negev Phosphates.

In addition, nearly \$2m was paid to the Government in royalties, and \$7m invested in fixed assets, about half of this in a new feeder canal to the evaporation pans, and a smaller sum in a tablet salt plant. An initial investment was made in a potash granulation plant which will eventually cost \$10m. This, on Tel Aviv's new central bus station, construction of which was halted a couple of years ago.

Overseas turnover in 1977 was \$200m compared with \$200m in 1976.

## Sharp expansion at Bank Leumi

BY L. DANIEL

BANK LEUMI LI-ISRAEL—the country's largest and oldest bank—has reported a 107 per cent rise in its consolidated balance sheet to A\$1.85bn (U.S.\$3.7bn) at June 30, from A\$1.7bn at end-June 1977.

The rise at the end of the financial year, on December 31, was 11.2 per cent, to A\$1.85bn. The rise on the year is due to the cost-cutting Rationalisation Council plan to cut the country's shipbuilding capacity by 35 per cent, and for the largest seven shipbuilders to lower capacity by 40 per cent. The higher rate for the large shipbuilders reflects their scope to redeploy workers.

Other major Japanese shipbuilders are thought likely to take similar decisions.

Our Financial Staff writes: Both IHI and MHI have asked their labour unions to accept plans to cut their capacities by about 40 per cent. It was announced last month. This follows the release in July of 1977 of the shipbuilding industry's Rationalisation Council plan to cut the country's shipbuilding capacity by 35 per cent, and for the largest seven shipbuilders to lower capacity by 40 per cent. The higher rate for the large shipbuilders reflects their scope to redeploy workers.

THIS year, as a result of the raising on the stock exchange of A\$1.5bn for the bank itself in May, and of A\$1.5bn each by two of its subsidiaries—the Union Bank of Israel and the General Mortgage Bank, The semi-annual balance sheet also shows a sharp growth in savings deposits and in foreign currency deposits of Israeli residents.

Despite the duration of the equally, the bank expects, in the absence of unforeseen circumstances, that profitability per share will be higher this year than in 1977. It is declaring an interim profit of 7.5 per cent in cash (payable also on the bonus shares issued in May 1978) and a 20 per cent bonus share allocation.

The latter will be entitled to the final dividend and any other distribution which may be made in respect of the current calendar year.

FOREIGN CURRENCY earnings of the aircraft maintenance and overhaul division of Israel Aircraft Industries rose by \$5m in 1977-78 to reach \$20m, according to the company. Total turnover of the division—foreign deals with 30 types of aircraft, does overhauls on an average 1,000 engines annually and maintains and repairs some 60,000 parts—totalled \$47m, and net profit came to the equivalent of \$6.6m.

## Dead Sea Potash ahead

BY OUR OWN CORRESPONDENT

TEL AVIV, Sept. 4.

NET PROFITS of the Dead Sea Potash Works rose by 86 per cent to the equivalent of \$17m in the fiscal year 1977-78.

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Overseas turnover in 1977 was \$200m compared with \$200m in 1976.

## Advance at Solel Boneh

By Our Own Correspondent

TEL AVIV, September 4.

SOLEL BONEH—the largest construction company owned by the Histadrut, the Israel Labour Federation—made a net profit in 1977 of 122m compared with 115m in 1976. This is not regarded as particularly satisfactory in view of Israel's 40 per cent inflation rate.

The company has lost heavily in a station, construction of which was halted a couple of years ago.

Overseas turnover in 1977 was \$200m compared with \$200m in 1976.

## Nagrafin Bank Limited

U.S. \$30,000,000

Medium Term Loan

Guaranteed by

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Arranged by

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Genossenschaftliche Zentralbank AG

London & Continental Bankers Ltd.

Chaise Centrale des Banques Populaires

Agent:

London & Continental Bankers Ltd.

## EURODOLLAR BOND PRICES

STRAIGHTS	84	85	86	87
Afrim Australia 5 1/2% 1984	97 1/2	98 1/2	99 1/2	100 1/2
Afrim Australia 6 1/2% 1985	98 1/2	99 1/2	100 1/2	101 1/2
Afrim Australia 7 1/2% 1986	99 1/2	100 1/2	101 1/2	102 1/2
Afrim Australia 8 1/2% 1987	100 1/2	101 1/2	102 1/2	103 1/2
Afrim Australia 9 1/2% 1988	101 1/2	102 1/2	103 1/2	104 1/2
Afrim Australia 10 1/2% 1989	102 1/2	103 1/2	104 1/2	105 1/2
Afrim Australia 11 1/2% 1990	103 1/2	104 1/2	105 1/2	106 1/2
Afrim Australia 12 1/2% 1991	104 1/2	105 1/2	106 1/2	107 1/2
Afrim Australia 13 1/2% 1992	105 1/2	106 1/2	107 1/2	108 1/2
Afrim Australia 14 1/2% 1993	106 1/2	107 1/2	108 1/2	109 1/2
Afrim Australia 15 1/2% 1994	107 1/2	108 1/2	109 1/2	110 1/2
Afrim Australia 16 1/2% 1995	108 1/2	109 1/2	110 1/2	111 1/2
Afrim Australia 17 1/2% 1996	109 1/2	110 1/2	111 1/2	112 1/2
Afrim Australia 18 1/2% 1997	110 1/2	111 1/2	112 1/2	113 1/2
Afrim Australia 19 1/2% 1998	111 1/2	112 1/2	113 1/2	114 1/2
Afrim Australia 20 1/2% 1999	112 1/2	113 1/2	114 1/2	115 1/2
Afrim Australia 21 1/2% 2000	113 1/2	114 1/2	115 1/2	116 1/2
Afrim Australia 22 1/2% 2001	114 1/2	115 1/2	116 1/2	117 1/2
Afrim Australia 23 1/2% 2002	115 1/2	116 1/2	117 1/2	118 1/2
Afrim Australia 24 1/2% 2003	116 1/2	117 1/2	118 1/2	119 1/2
Afrim Australia 25 1/2% 2004	117 1/2	118 1/2	119 1/2	120 1/2
Afrim Australia 26 1/2% 2005	118 1/2	119 1/2	120 1/2	121 1/2
Afrim Australia 27 1/2% 2006	119 1/2	120 1/2	121 1/2	122 1/2
Afrim Australia 28 1/2% 2007	120 1/2	121 1/2	122 1/2	123 1/2
Afrim Australia 29 1/2% 2008	121 1/2	122 1/2	123 1/2	124 1/2
Afrim Australia 30 1/2% 2009	122 1/2	123 1/2	124 1/2	125 1/2
Afrim Australia 31 1/2% 2010	123 1/2	124 1/2	125 1/2	126 1/2
Afrim Australia 32 1/2% 2011	124 1/2	125 1/2	126 1/2	127 1/2
Afrim Australia 33 1/2% 2012	125 1/2	126 1/2	127 1/2	128 1/2
Afrim Australia 34 1/2% 2013	126 1/2	127 1/2	128 1/2	129 1/2
Afrim Australia 35 1/2% 2014	127 1/2	128 1/2	129 1/2	130 1/2
Afrim Australia 36 1/2% 2015	128 1/2	129 1/2	130 1/2	131 1/2
Afrim Australia 37 1/2% 2016	129 1/2	130 1/2	131 1/2	132 1/2
Afrim Australia 38 1/2% 2017	130 1/2	131 1/2	132 1/2	133 1/2
Afrim Australia 39 1/2% 2018	131 1/2	132 1/2	133 1/2	134 1/2
Afrim Australia 40 1/2% 2019	132 1/2	133 1/2	134 1/2	135 1/2
Afrim Australia 41 1/2% 2020	133 1/2	134 1/2	135 1/2	136 1/2
Afrim Australia 42 1/2% 2021	134 1/2	135 1/2	136 1/2	137 1/2
Afrim Australia 43 1/2% 2022	135 1/2	136 1/2	137 1/2	138 1/2
Afrim Australia 44 1/2% 2023	136 1/2	137 1/2	138 1/2	139 1/2
Afrim Australia 45 1/2% 2024	137 1/2	138 1/2	139 1/2	140 1/2
Afrim Australia 46 1/2% 2025	138 1/2	139 1/2	140 1/2	141 1/2
Afrim Australia 47 1/2% 2026	139 1/2	140 1/2	141 1/2	142 1/2
Afrim Australia 48 1/2% 2027	140 1/2	141 1/2	142 1/2	143 1/2
Afrim Australia 49 1/2% 2028	141 1/2	142 1/2	143 1/2	144 1/2
Afrim Australia 50 1/2% 2029	142 1/2	143 1/2	144 1/2	145 1/2
Afrim Australia 51 1/2% 2030	143 1/2	144 1/2	145 1/2	146 1/2
Afrim Australia 52 1/2% 2031	144 1/2	145 1/2	146 1/2	147 1/2
Afrim Australia 53 1/2% 2032	145 1/2	146 1/2	147 1/2	148 1/2
Afrim Australia 54 1/2% 2033	146 1/2	147 1/2	148 1/2	149 1/2
Afrim Australia 55 1/2% 2034	147 1/2	148 1/2	149 1/2	150 1/2
Afrim Australia 56 1/2% 2035	148 1/2	149 1/2	150 1/2	151 1/2
Afrim Australia 57 1/2% 2036	149 1/2	150 1/2	151 1/2	152 1/2
Afrim Australia 58 1/2% 2037	150 1/2	151 1/2	152 1/2	153 1/2
Afrim Australia 59 1/2% 2038	151 1/2	152 1/2	153 1/2	154 1/2
Afrim Australia 60 1/2% 2039	152 1/2	153 1/2	154 1/2	155 1/2
Afrim Australia 61 1/2% 2040	153 1/2	154 1/2	155 1/2	156 1/2
Afrim Australia 62 1/2% 2041	154 1/2	155 1/2	156 1/2	157 1/2
Afrim Australia 63 1/2% 2042	155 1/2	156 1/2	157 1/2	158 1/2
Afrim Australia 64 1/2% 2043	156 1/2	157 1/2	158 1/2	159 1/2
Afrim Australia 65 1/2% 2044	157 1/2	158 1/2	159 1/2	160 1/2
Afrim Australia 66 1/2% 2045	158 1/2	159 1/2	160 1/2	161 1/2
Afrim Australia 67 1/2% 2046	159 1/2	160 1/2	161 1/2	162 1/2
Afrim Australia 68 1/2% 2047	160 1/2	161 1/2	162 1/2	163 1/2
Afrim Australia 69 1/2% 2048	161 1/2	162 1/2	163 1/2	164 1/2
Afrim Australia 70 1/2% 2049	162 1/2	163 1/2	164 1/2	165 1/2
Afrim Australia 71 1/2% 2050	163 1/2	164 1/2	165 1/2	166 1/2
Afrim Australia 72 1/2% 2051	164 1/2	165 1/2	166 1/2	167 1/2
Afrim Australia 73 1/2% 2052	165 1/2	166 1/2	167 1/2	168 1/2
Afrim Australia 74 1/2% 2053	166 1/2	167 1/2	168 1/2	169 1/2
Afrim Australia 75 1/2% 2054	167 1/2	168 1/2	169 1/2	170 1/2
Afrim Australia 76 1/2% 2055	168 1/2	169 1/2	170 1/2	171 1/2
Afrim Australia 77 1/2% 2056	169 1/2	170 1/2	171 1/2	172 1/2
Afrim Australia 78 1/2% 2057	170 1/2	171 1/2	172 1/2	173 1/2
Afrim Australia 79 1/2% 2058	171 1/2	172 1/2	173 1/2	174 1/2
Afrim Australia 80 1/2% 2059	172 1/2	173 1/2	174 1/2	175 1/2
Afrim Australia 81 1/2% 2060	173 1/2	174 1/2	175 1/2	176 1/2
Afrim Australia 82 1/2% 2061	174 1/2	175 1/2	176 1/2	177 1/2
Afrim Australia 83 1/2% 2062	175 1/2	176 1/2	177 1/2	178 1/2
Afrim Australia 84 1/2% 2063	176 1/2	177 1/2	178 1/2	179 1/2
Afrim Australia 85 1/2% 2064	177 1/2	178 1/2	179 1/2	180 1/2
Afrim Australia 86 1/2% 2065	178 1/2	179 1/2	180 1/2	181 1/2
Afrim Australia 87 1/2% 2066	179 1/2	180 1/2	181 1/2	182 1/2
Afrim Australia 88 1/2% 2067	180 1/2	181 1/2	182 1/2	183 1/2
Afrim Australia 89 1/2% 2068	181 1/2	182 1/2	183 1/2	184 1/2
Afrim Australia 90 1/2% 2069	182 1/2	183 1/2	184 1/2	185 1/2
Afrim Australia 91 1/2% 2070	183 1/2	184 1/2	185 1/2	186 1/2
Afrim Australia 92 1/2% 2071	184 1/2	185 1/2	186 1/2	187 1/2
Afrim Australia 93 1/2% 2072	185 1/2	186 1/2	187 1/2	188 1/2
Afrim Australia 94 1/2% 2073	186 1/2	187 1/2	188 1/2	189 1/2
Afrim Australia 95 1/2% 2074	187 1/2	188 1/2	189 1/2	190 1/2
Afrim Australia 96 1/2% 2075	188 1/2	189 1/2	190 1/2	191 1/2
Afrim Australia 97 1/2% 2076	189 1/2	190 1/2	191 1/2	192 1/2
Afrim Australia 98 1/2% 2077	190 1/2	191 1/2	192 1/2	193 1/2
Afrim Australia 99 1/2% 2078	191 1/2	192 1/2	193 1/2	194 1/2
Afrim Australia 100 1/2% 2079	192 1/2	193 1/2	194 1/2	195 1/2
Afrim Australia 101 1/2% 2080	193 1/2	194 1/2	195 1/2	196 1/2
Afrim Australia 102 1/2% 2081	194 1/2	195 1/2	196 1/2	197 1/2
Afrim Australia 103 1/2% 2082	195 1/2	196 1/2	197 1/2	198 1/2
Afrim Australia 104 1/2% 2083	196 1/2	197 1/2	198 1/2	199 1/2
Afrim Australia 105 1/2% 2084	197 1/2	198 1/2	199 1/2	200 1/2
Afrim Australia 106 1/2% 2085	198 1/2	199 1/2	200 1/2	201 1/2
Afrim Australia 107 1/2% 2086	199 1/2	200 1/2	201 1/2	202 1/2
Afrim Australia 108 1/2% 2087	200 1/2	201 1/2	202 1/2	203 1/2
Afrim Australia 109 1/2% 2088	201 1/2	202 1/2	203 1/2	204 1/2
Afrim Australia 110 1/2% 2089	202 1/2	203 1/2	204 1/2	205 1/2
Afrim Australia 111 1/2% 2090	203 1/2	204 1/2	205 1/2	206 1/2
Afrim Australia 112 1/2% 2091	204 1/2	205 1/2	206 1/2	207 1/2
Afrim Australia 113 1/2% 2092	205 1/2	206 1/2	207 1/2	208 1/2
Afrim Australia 114 1/2% 2093	206 1/2	207 1/2	208 1/2	209 1/2
Afrim Australia 115 1/2% 2094	207 1/2	208 1/2	209 1/2	210 1/2
Afrim Australia 116 1/2% 2095	208 1/2	209 1/2	210 1/2	211 1/2
Afrim Australia 117 1/2% 2096	209 1/2	210 1/2	211 1/2	212 1/2
Afrim Australia 118 1/2% 2097	210 1/2	211 1/2	212 1/2	213 1/2
Afrim Australia 119 1/2% 2098	211 1/2	212 1/2	213 1/2	214 1/2
Afrim Australia 120 1/2% 2099	212 1/2	213 1/2	214 1/2	215 1/2
Afrim Australia 121 1/2% 2100	213 1/2	214 1/2	215 1/2	216 1/2
Afrim Australia 122 1/2% 2101	214 1/2	215 1/2	216 1/2	217 1/2
Afrim Australia 123 1/2% 2102	215 1/2	216 1/2	217 1/2	218 1/2
Afrim Australia 124 1/2% 2103	216 1/2	217 1/2	218 1/2	219 1/2
Afrim Australia 125 1/2% 2104	217 1/2	218 1/2	219 1/2	220 1/2
Afrim Australia 126 1/2% 2105	218 1/2	219 1/2	220 1/2	221 1/2
Afrim Australia 127 1/2% 2106	219 1/2	220 1/2	221 1/2	222 1/2
Afrim Australia 128 1/2% 2107	220 1/2	221 1/2	222 1/2	223 1/2
Afrim Australia 129 1/2% 2108	221 1/2	222 1/2	223 1/2	224 1/2
Afrim Australia 130 1/2% 2109	222 1/2	223 1/2	224 1/2	225 1/2
Afrim Australia 131 1/2% 2110	223 1/2	224 1/2	225 1/2	226 1/2
Afrim Australia 132 1/2% 2111	224 1/2	225 1/2	226 1/2	227 1/2
Afrim Australia 133 1/2% 2112	225 1/2	226 1/2	227 1/2	228 1/2
Afrim Australia 134 1/2% 2113	226 1/2	227 1/2	228 1/2	229 1/2
Afrim Australia 135 1/2% 2114	227 1/2	228 1/2	229 1/2	230 1/2
Afrim Australia 136 1/2% 2115	228 1/2	229 1/2	230 1/2	231 1/2
Afrim Australia 137 1/2% 2116	229 1/2	230 1/2	231 1/2	232 1/2
Afrim Australia 138 1/2% 2117	230 1/2	231 1/2	232 1/2	233 1/2
Afrim Australia 139 1/2% 2118	231 1/2	232 1/2	233 1/2	234 1/2
Afrim Australia 140 1/2% 2119	232 1/2	233 1/2	234 1/2	235 1/2
Afrim Australia 141 1/2% 2120	233 1/2	234 1/2	235 1/2	236 1/2
Afrim Australia 142 1/2% 2121	234 1/2	235 1/2	236 1/2	237 1/2
Afrim Australia 143 1/2% 2122	235 1/2	236 1/2	237 1/2	238 1/2
Afrim Australia 144 1/2% 2123	236 1/2	237 1/2	238 1/2	239 1/2
Afrim Australia 145 1/2% 2124	237 1/2	238 1/2	239 1/2	240 1/2
Afrim Australia 146 1/2% 2125	238 1/2	239 1/2	240 1/2	241 1/2
Afrim Australia 147 1/2% 2126	239 1/2	240 1/2	241 1/2	242 1/2
Afrim Australia 148 1/2% 2127	240 1/2	241 1/2	242 1/2	243 1/2
Afrim Australia 149 1/2% 2128	241 1/2	242 1/2	243 1/2	244 1/2
Afrim Australia 150 1/2% 2129	242 1/2	243 1/2	244 1/2	245 1/2
Afrim Australia 151 1/2% 2130	243 1/2	244 1/2	245 1/2	246 1/2
Afrim Australia 152 1/2% 2131	244 1/2	245 1/2	246 1/2	247 1/2
Afrim Australia 153 1/2% 2132	245 1/2	246 1/2	247 1/2	248 1/2
Afrim Australia 154 1/2% 2133	246 1/2	247 1/2	248 1/2	249 1/2
Afrim Australia 155 1/2% 2134	247 1/2	248 1/2	249 1/2	250 1/2
Afrim Australia 156 1/2% 2135	248 1/2	249 1/2	250 1/2	251 1/2
Afrim Australia 157 1/2% 2136	249 1/2	250 1/2	251 1/2	252 1/2
Afrim Australia 158 1/2% 2137	250 1/2	251 1/2	252 1/2	253 1/2
Afrim Australia 159 1/2% 2138	251 1/2	252 1/2	253 1/2	254 1/2
Afrim Australia 160 1/2% 2139	252 1/2	253 1/2	254 1/2	255 1/2
Afrim Australia 161 1/2% 2140	253 1/2	254 1/2	255 1/2	256 1/2
Afrim Australia 162 1/2% 2141	254 1/2	255 1/2	256 1/2	257 1/2
Afrim Australia 163 1/2% 2142	255 1/2	256 1/2	257 1/2	258 1/2
Afrim Australia 164 1/2% 2143	256 1/2	257 1/2	258 1/2	259 1/2
Afrim Australia 165 1/2% 2144	257 1/2	258 1/2	259 1/2	260 1/2
Afrim Australia 166 1/2% 2145	258 1/2	259 1/2	260 1/2	261 1/2
Afrim Australia 167 1/2% 2146	259 1/2	260 1/2	261 1/2	262 1/2
Afrim Australia 168 1/2% 2147	260 1/2	261 1/2	262 1/2	263 1/2
Afrim Australia 169 1/2% 2148	261 1/2	262 1/2	263 1/2	264 1/2
Afrim Australia 170 1/2% 2149	262 1/2	263 1/2	264 1/2	265 1/2
Afrim Australia 171 1/2% 2150	263 1/2	264 1/2	265 1/2	266 1/2
Afrim Australia 172 1/2% 2151	264 1/2	265 1/2	266 1/2	267 1/2
Afrim Australia 173 1/2				



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## Senior posts at Grindlay Brandts Insurance Group

Mr. David Lantagne has been appointed managing director of the GRINDLAY BRANDTS INSURANCE and Mr. Michael Gauge has become assistant managing director.

Mr. John G. Collyear, Mr. Thomas F. Honess and Mr. Peter A. Rippon have been appointed non-executive directors of HERBERT, the parent company of ALFRED HERBERT.

Mr. P. J. Hine and Mr. C. D. Ryder have been appointed directors of FRAYLAND. The appointments have been made as a result of the company's expansion in the U.K. and Middle East.

Mr. Irving Harrison has been appointed a director of SEARS HOLDINGS. He has been associated with the group for nearly 25 years and is director of BSC Footwear.

Mr. G. A. Greenough, Mr. Thomas and Mr. R. J. Ward have been appointed directors of the LITTLE OCEANIC ASSURANCE, not executive directors as reported Saturday.

## CONTRACTS

### Simon-Carves wins Shell plant work

SIMON-CARVES, Stockport, a Simon Engineering Company, has been awarded a contract by Shell to supply three cupolas at present in operation at the Willans works. It is Chemicals (UK) for a major extension to its existing polypropylene plants at Carrington, Greater Manchester, for which Simon-Carves previously supplied handling and storage facilities. This latest project, worth more than £5m, covers extensive modernisation and extension to product handling, including blending equipment, additional storage and improved packing and sack handling facilities. Overall construction will be carried out by Shell Chemicals (UK).

NOTSA ENGINEERING, Aston-on-Trent (Derby), has won its biggest single order, worth more than £100,000, from Harker Engineering, Stockport-on-Tees, for a computer-controlled coordinate measuring machine.

NABCOCK CONTRACTORS INC., Pittsburgh, (a subsidiary of Babcock International Inc. which controls the interests of Babcock and Wilcox Limited in the U.S.), under a contract signed with Ohio Department of Administrative Services, is starting procurement and construction of a fuelled bed combustion (FBC) boiler plant at the Central Ohio Psychiatric Hospital, Columbus. The FBC boiler will burn high percentage sulphur Ohio coal in compliance with Federal EPA standards. This is done by adding limestone, which retains 90 per cent of the coal's sulphur without the cost of expensive stack gas scrubbers. FBC is the principal commercially available technique adopted by Ohio Governor Rhodes' Coal Use Programme to demonstrate that industry can continue to use Ohio coal in compliance with EPA standards. The order is worth about \$5m. The plant, of 60,000 lb-hour of steam, will operate within 12 months.

GEC Turbine Generators is to introduce electric melting in its foundry at the Willans works in Rugby where turbine components, including giant casings, are produced. An order valued at close on £200,000 has been placed with BIRLEC for a 10 tonne capacity

normal frequency coreless induction furnace to replace one of the three cupolas at present in operation at the Willans works. It is planned to operate the furnace overnight, using power generated on the GEC site at Rugby. With a rating of 2,000 kW, it will be capable of producing 3.5 tonnes of SG iron from a charge of foundry returns and steel scrap.

WILKINSONS FURNITURE has supplied 170,000 of desks, linking units, vertical filing systems, technical layout tables, screens and trolleys for the new County Hall of Hereford and Worcester County Council.

A leading Swiss printer that specialises in international work, Weber Colour Printing, has placed a £110,000 order with ILLIAC for a Compose-1530 computerised type composition system. The composer will drive a Monotype Lasercomp. Input to the composer will be via on-line OGC and paper tape, and output to the typesetter will be on-line with paper tape facilities for backup.

GRAVINER has won two contracts for its "Swordfish" ultra violet flame detector for the Nimrod and Piper platforms.

Glazing contracts, collectively worth some £400,000 have been awarded to branches of JAMES CLARK AND SONS. Most of the orders are for glazing private dwellings, flats and houses.

Wessex Water Authority has ordered an integrated remote maintenance computer system, which will provide interlinked control and data collection facilities serving three executive levels throughout the Authority's area. The system is believed to be the first of its kind to be ordered by a UK water authority. The £300,000 contract has been awarded to digital communications specialists SERCK CONSULTANTS, Leamington Spa. The contract includes the control system will monitor and control water supply, sewage treatment and river management equipment in three of the Authority's eight months.

Following the reletting of northern sector of the Low Borough of Hammersmith and within the Hammersmith 70-watt SON high-pressure sodium lamps. THORN LIGHTING won a further £105,000 contract to re-light the southern sector. This brings the total value of contract to £215,000, making the largest installation of its kind in the world. The lamp will be housed in vandal resistant 900 lanterns.

A contract for advance site for Warrington Development Corporation's rented housing, to be wood, one of the three areas of the New Town's Birchall district, has been awarded. WRENCO (CONTRACTORS) Ltd, near Liverpool, The £215,000 contract includes the construction of roads, drainage systems, footpaths, and will last for eight months.

# Outback outbreak of diamond fever

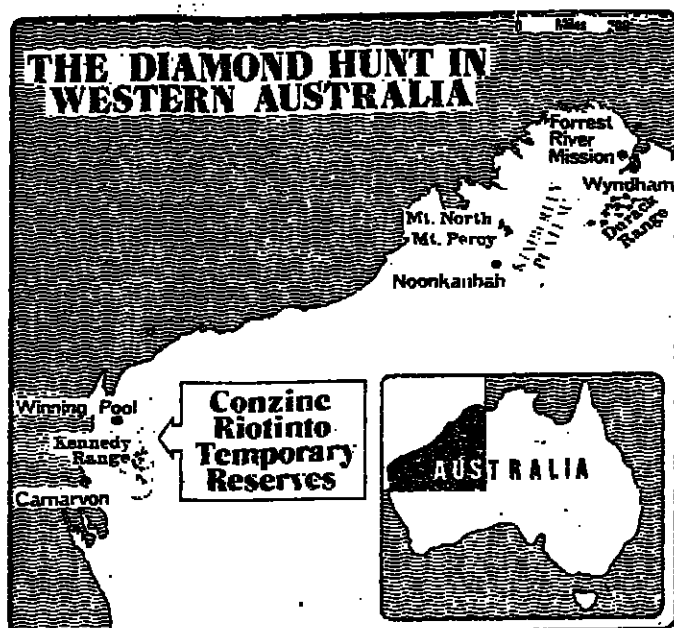
PROSPECTORS BELIEVE they have begun opening up a new diamond province in Western Australia's tropical north. The present phase began on flimsy evidence: the rush of small companies and accompanying stockmarket flurry followed rumours that gem-grade diamonds had been found. This generated enough evidence and confidence to have added several hundred million dollars to the combined market capitalisation of companies involved. In the to-and-fro between scepticism and enthusiasm, the bulls are clearly in front.

## Long odds

The sceptics maintain that the newcomers have little chance. Big companies like De Beers and BHP have been combing the Kimberley region over several years, they point out. The only reported diamond finds—with no word so far of high-quality gems—started in 1976 and were made by the Ashton joint venture which has Conzinc Riotinto of Australia as operator. As CRA's executive chairman, Sir Roderick Carnegie, replies when questioned about how the diamond search is going: "Ask me after another five years and \$15m."

Miners' "establishment" of big companies and bureaucrats sees the wave of newcomers as under-capitalised opportunists, staking speculators' money on the long odds of finding diamond-bearing kimberlite structures—and bearing enough to make any finds commercial.

The enthusiastic view is summed up in a film taken from a helicopter as it chugs its way over the remote prospects, closer to Singapore than to



limestone—that turn an ordinary volcanic plug into a kimberlite with the potential for carrying diamonds.

After rumours began circulating that the Ashton group had found gems, the shares of its 5 per cent partner, Northern Mining, raced up from a year's low of 25c to touch \$A1.80 on its home exchange. Other joint ventures moved in and started pegging, with similar stockmarket fireworks: Alkane ran from 2c to 31c, Bamboo Creek from 5c to 30c, Carr Boyd Minerals from 3c to 44c, Hill Minerals from 1c to 21c, North West Mining from 2c to 50c.

The basic pattern is nothing new: a commodity is found in a remote area. The more exotic the commodity, the more exotic its technology, and the more remote from civilisation the pegging, the greater the area of uncertainty, and the greater the element of speculation.

London has been deeply involved: corners of the City are more responsive to speculative situations than the relatively conservative Australian markets. Australia has become afraid of speculation since the Poseidon boom. Clearly the danger of setbacks exists. Unless diamond discoveries are reported, Christmas could be a dangerous moment because that is when geologists go home, away from the heat, depriving the market of its lifeblood of information and rumour.

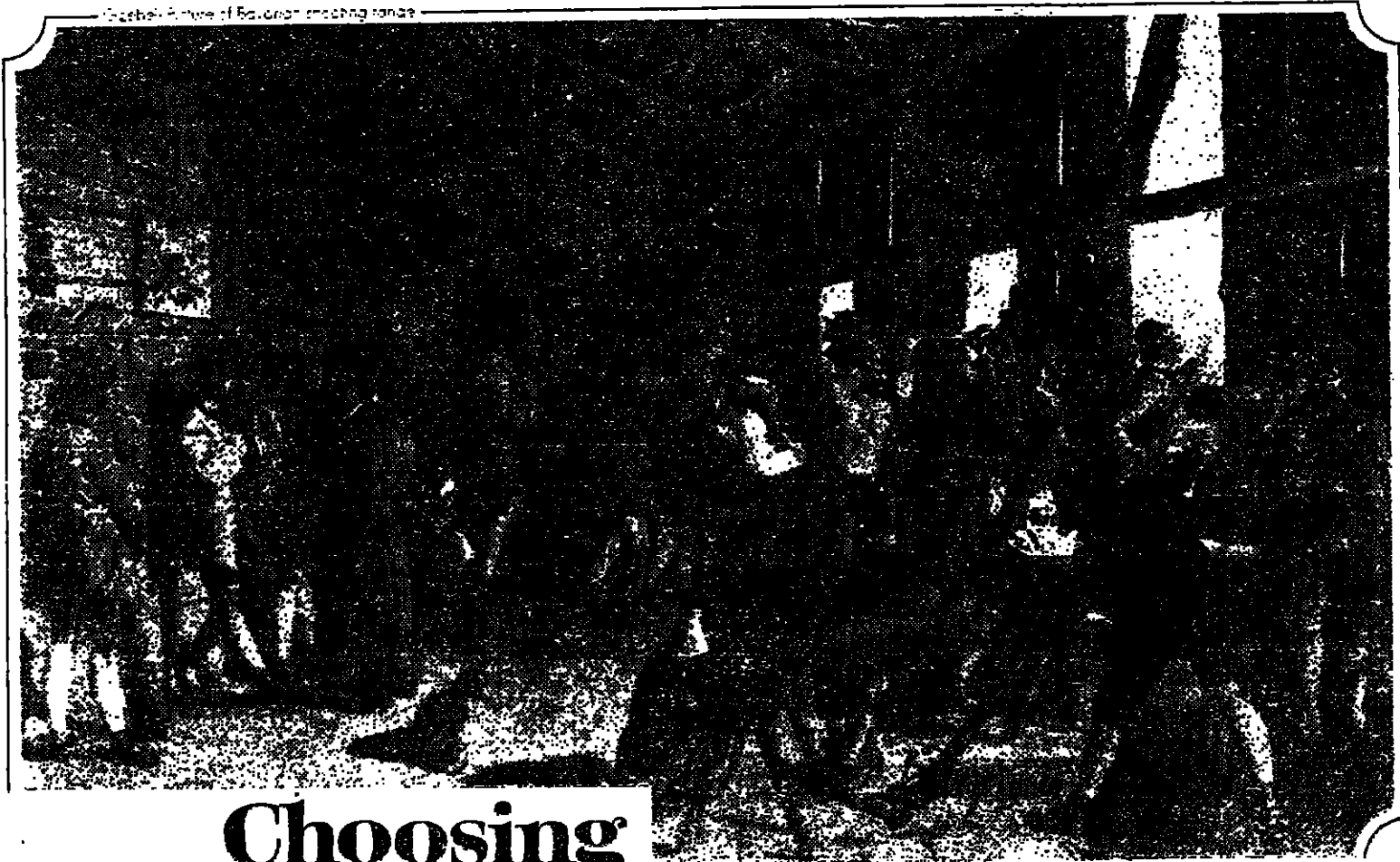
There is evidence from the little prospectors that there is a basis for the boom. The Ashton group for instance has built a \$5m treatment plant with a throughput that suggests it is more than a pilot plant. More over competition for some claims has been severe, with

few holds barred. Although it might be argued that several years' start by De Beers, BHP and CRA would not leave worthwhile ground unpegged, CRA was out there pegging alongside the small companies after its (rumoured or real) discovery of gems. Perhaps most importantly, CRA has taken up a group of 32 temporary reserves for diamonds 1,000 miles away from the Kimberley, inland from Carnarvon around the Kennedy Range and Winding Pool. These commit the company to an annual \$13m for diamonds only—a scale of expenditure unlikely unless something worthwhile has been turned up already.

While stock exchange requirements force the Ashton group reluctantly into periodical announcements, De Beers continues its Australia-wide diamond prospecting in silence under an effective security blanket.

## Peg and pray

Despite the speculators' need for snatches of information at least, secrecy is one of the trumps. With little work done apart from pegging, two or three companies a week are turning up in the diamond chase. Sceptics rightly point out that only one in several thousand kimberlites yields commercial diamonds. But the enthusiasts can reply that while this is so, the odds shorten dramatically once diamonds have been discovered. Hence the high level of expectation in the Kimberley bush as prospectors peg circular features that suggest volcanic plugs and pray that CRA or somebody comes up with a find that will prove that this, indeed, is diamond country, the start of a new province.



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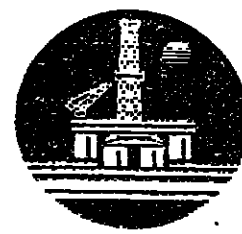
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## A FINANCIAL TIMES SURVEY



## ON OFFSHORE EXPERTISE

### OCTOBER 19 1978

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.



# FARMING AND RAW MATERIALS

## Small rise forecast in sugar stocks

BY OUR COMMODITIES STAFF

WORLD SUGAR production is expected to be slightly above consumption in the 1978-79 season, according to the U.S. Agriculture Department's summary of sugar and sweetener report. The Department's summary of sugar output at between 87 and 90 million tonnes in 1978-79 and production at 88m tonnes, suggesting a further small rise in the present large stocks.

U.S. domestic beet production is forecast to rise by 5.10 per cent above the 1977-78 figure of 4.1m short tons while cane output is put at 2.7m tonnes. The U.S. production of high fructose corn syrup sweetener is forecast to rise by 1.2m short tons (dry weight) against 1m tons in 1977.

U.S. sugar imports are expected to fall sharply from the 1977 level of 6.13m tonnes to 2.5m tonnes this year. But 1978 imports will be boosted by the Commodity Credit Corporation acquiring a further 1.5m tonnes of sugar under the support price programme.

The USDA prediction is at least in line with the forecast by international brokers E. D. and F. D. in a last week that production consumption would be in the balance in the fourth quarter, and there might even be a small deficit.

Another rise in world sugar prices on the London terminal market yesterday was attributed to the rise in the Man forecast of

## Japan hits at N. Zealand fish quota

TOKYO, Sept. 4.

THE JAPANESE government today criticised New Zealand for reducing fishing quotas for Japanese fishermen inside the 200-mile economic limit proclaimed earlier this year.

The Japanese fishery agency said the 1978 quota of 95,000 tonnes announced in Wellington was most severe. It added that Japan would seek increases to the level of last year when Japanese fishermen hauled an estimated 240,000 tonnes.

Quotas were fixed by New Zealand after the two countries signed an agreement on Friday allowing Japanese fishing vessels to operate in the zone for the first time since it was proclaimed on April 1.

Reuter

## Ghana will probe cocoa marketing

ACCRA, Sept. 4.

THE Ghana Government has set up a committee to investigate the activities of the Ghana Cocoa Marketing Board, reports Reuter.

The inquiry will concentrate on the buying and selling of cocoa, earnings from cocoa sales, activities of foreign and local buying agents and the causes of the decline in cocoa production since 1970.

Ghana's annual cocoa production which averaged 400,000 tons a year up to 1970, was down to 349,000 tons in 1976.

Another committee has been set up to investigate the activities of the State Fishing Corporation.

On the London terminal market prices rose further yesterday. November delivery cocoa, for example, was up 18 pence to £112.50 a tonne.

Traders again attributed the continued increases to the continued harvest prospects in West Africa and Brazil.

At Rio de Janeiro, the Sao Paulo State agricultural secretary announced the region was expected to produce up to 6.1m 60-kilo bags of coffee next year instead of 5.8m estimated earlier, after the frosts last month.

According to survey, 61m of the State's 72m new trees were seriously affected by frost, and 17m were destroyed. Of the State's 72m adult trees, 3.1m suffered irreparable damage, the secretary said.

## Copper supply threatens

BY JOHN EDWARDS, COMMODITIES EDITOR

A SERIES of "bullish" reports failed to lift the London copper market yesterday. Instead prices eased in quiet trading conditions with cash withers ending 2.75 lower at £788.5 a tonne.

The market had already anticipated a fall in copper stocks held in LME warehouses of 7,650 tonnes reducing the total holdings to 44,355 tonnes—the lowest level since October, 1975.

Little impact was made either by a report from Lusaka that a 100,000-tonne strike by copper rail workers should soon start to hit shipments, which so far have been maintained by the backlog of supplies already in transit.

However, after six days of the unofficial strike, stockpiles of copper are reported to be building up at the railheads. Supplies from two other main exporters, Chile and Peru, are also threatened by industrial action.

Traders are, however, awaiting the re-opening of the New York City market after the Labour Day holiday, traditionally the time when the pattern of consumer demand becomes clearer.

Lack of follow-through buying interest brought a setback in the tin market, after its sharp rise last week. A fall in warehouse

## ALGERIAN LAND RECLAMATION

# Caterpillar threat to 'green dam'

BY A CORRESPONDENT

ALGERIA'S "GREEN DAM," a to the Tunisian frontier, following the encampment of the Sahara Atlas, looping round the Chott el Hodna to the north and south, and following the Aurès to the Tunisian border south of Tebessa.

It started around Djelfa, where forestry and reclamation work began in 1968. Other local schemes followed, but the idea of the green dam began to take shape only after 1972. The real work began in 1975, when the army established six regional centres spaced along the proposed site of the dam. For the last three years, thousands of young national servicemen have been working on the task of planting 7m young trees over a total area of 3m hectares.

The result is already impressive with whole chains of mountains covered with apparently healthy young saplings.

The national servicemen have been working on the task of planting 7m young trees over a total area of 3m hectares.

With a scheme of this size, the scale can be difficult to grasp. Local people are often unaware of what is going on around them, seeing nothing but a barracks and some forestry activity. Aware of the scepticism of some foreign experts, senior officials in Algeria take a lively line on the dam, emphasising that despite its size it is an experiment, an "act of faith in the future." The ecological effect will not even be noticeable for another 10-20 years.

Oddly enough, the threat from the professional caterpillar may be one of the first ecological effects of the dam. According to a British pest expert, the caterpillar's numbers probably result from the absence of bird and insect predators in an area which was semi-desert until a few years ago.

## At risk

In time, when the pests natural enemies establish themselves, the caterpillar may become less of a threat. In the meantime, however, large areas of young trees are at risk. The best way to deal with the pest is to spray with bacteria which kill the caterpillars but do not harm other insect species.

Other methods which give good results are spraying affected trees with insecticide and physically destroying the webs in which the caterpillars live.

This is what the soldiers at Bou Saada have been doing, but their other duties have so far prevented them from conducting more than a holding operation. The caterpillar has continued to spread and multiply.

The danger is that it may again which a hole in the thicket and oldest part of the dam, where some of the trees are 10 years old. "We don't want to see our work going to waste," said one young officer. "But so far, the high-ups don't seem to recognise the caterpillar as a serious problem."

## Desert

The "green dam" is a complex project designed to arrest the steady northward encroachment of the Sahara desert and make the high plateau between the Algerian coast and the Tunisian desert more productive. Algeria's population, which was 10m in 1961 and is 18m now, is expected to double again before the end of the century. This has put pressure on food supplies, and the expansion of northern towns and cities into the desert is claiming tracts of agricultural land.

Construction of the dam has involved the building of roads, wells and reservoirs, and establishment of pilot plantations of fruit trees and vegetable crops. Hillside have been terraced to improve soil and water retention, but the first and biggest task in the scheme has been the establishment of the dam itself. A 20km-wide belt of forest 1,300 km long, from the Moroccan

## Call for tapioca controls

PARIS, September 4.

187,411 tonnes, with 347,000 tonnes coming from Thailand.

In London the Ministry of Agriculture said, dry fairly warm weather last week allowed cereal harvesting in England and Wales to continue, although there have been delays in some areas.

Harvesting of winter barley is complete with good yields reported. Winter wheat and spring barley are being cut but a large area is still unripe.

In Bangkok Kringsak Chumman, the Thai Prime Minister, said he had asked visiting French Foreign Minister, Louis de Guiringaud, to press Thailand's case within the EEC for tapioca exports to the Community at levels no lower than this year's.

Mr. Kringsak said Thailand would produce nearly 5m tonnes of tapioca next year, more than 4m tonnes of it for exports which would normally go to Community countries.

Mr. Kringsak said he had also asked the French Minister for help in increasing exports of rice, Thailand's major foreign currency earner, to Africa.

French maize growers have called on the EEC Commission to act immediately to control imports of tapioca pellets, also known as cassava and manioc.

Marcel Cazale, president of the growers' association, said in a statement that growers were concerned at the rapid increase in imports.

M. Cazale said the substitution of cassava for maize in animal feeds reduced the protein content and necessitated increased use of industrial soyabean meal.

This was contrary to France's programme to cut protein imports, he said.

M. Raymond Barre, French Prime Minister, said the problem must be tackled by the EEC as a whole and France had already drawn up a memorandum to the subject.

French soft wheat exports rose to 6.2m tonnes to the season ended July 31, from 5.3m last season, the French National Cereals Office, ONIC, said.

Barley exports totalled 3.63m tonnes, up from 2.06m in 1977, with exports of 2.23m tonnes against 0.51m.

Cassava imports almost trebled to 455,419 tonnes from

## Fish farm health service plan

BY OUR COMMODITIES STAFF

A FISH health service, run by the Ministry of Agriculture's veterinary service was proposed yesterday in a National Farmers' Union report on fish farming.

The report, by the NFU's fish farming committee, puts the case for centralised control of fish farming, particularly from the standpoint of disease control.

"The present system is leading to an uncoordinated approach, excessive bureaucracy and is not leading to an effective method of controlling disease," the report said.

A licensing system to authorise particular sites for fish farming should also be established, the report says.

The Ministry's veterinary service was proposed to be run by the Ministry's advisory services and all fish culture enterprises would require a licence.

"Import regulations covering live fish should be strengthened and extended to cover dead fish, as in other countries," the report said.

The advantages of the licensing of fish farmers would be in the control of disease, and we propose that all fish farmers should be required to keep a stock movement register, so that stock movements could be traced.

The Regional Water Authorities should do more to promote the production of fish for food but they should not themselves be involved in the production of fish, particularly where this may affect the viability of commercial fish farms.

The report says the main requirement for effective disease control is an administration comparable with that responsible for dealing with notifiable diseases of other farm animals.

## Rubber output increase urged

BY OUR COMMODITIES STAFF

FURAL RUBBER producers (FURAL) increase investment now further than expected growth in demand in the rubber industry, according to a joint study by the World Bank and the UN Food and Agriculture Organisation.

The study predicts that present world production of rubber will fall behind forecast expansion in consumption during the second half of the 1980s creating a demand of 500,000 tonnes by 1990.

The study projects substantial expansion in world demand for natural rubber and synthetic rubber, despite a slower growth in the motor vehicle industry, the largest rubber consumer. Combined use of natural and synthetic rose from 1.5m tonnes in 1970 to 1.8m tonnes in 1976. Demand

is forecast to grow to 14.5m tonnes by 1980 and 24m tonnes by 1990.

Natural rubber production is projected to grow from 3.2m tonnes in 1976 to 6.1m tonnes in 1990, 0.5m tonnes less than expected demand at that time.

The study points out that the demand gap will be filled by increased supplies of synthetic rubber, not met by an expansion in natural rubber.

This was despite the fact that natural rubber producers have a substantial competitive cost advantage over polyisoprene, the closest synthetic substitute. The study claims that the rapid increase in oil prices starting in 1973 has overturned the long-standing price advantage of synthetics over natural rubber. In 1973-75 the cost of producing synthetics doubled, because of

## COMMODITY MARKET REPORTS AND PRICES

ASE METALS	ASE METALS	ASE METALS	ASE METALS
Aluminium	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Copper	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Gold	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
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Lead	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Nickel	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Platinum	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Silver	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Tin	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Zinc	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.

## COFFEE

COFFEE	COFFEE	COFFEE	COFFEE
Arabica	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Robusta	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Decaf	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Instant	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Whole Bean	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Grind	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.

## PRICE CHANGES

PRICE CHANGES	PRICE CHANGES	PRICE CHANGES	PRICE CHANGES
Aluminium	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Copper	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
Gold	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.
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Zinc	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.	Forward, 100 lb. 100 lb. 100 lb. 100 lb.

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Nippon European Bank S.A.  
In accordance with the provisions of the Certificate of Deposit notice is hereby given that for the initial six month interest period from 5th September 1978 to 5th March 1979 the Certificates will carry an Interest Rate of nine and nine sixteenths per cent. (9 9/16%) per annum.  
Reference Agent  
Manufacturers Hanover Limited

## EUROPEAN INVESTMENT BANK

NOTICE IS HEREBY GIVEN that the transfer of the Bank's shares in the amount of 100,000,000 francs is being effected from the 1st September 1978 to the 31st December 1978, both dates inclusive.

## NOTICE TO SHAREHOLDERS

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The Annual General Meeting of the Company will be held at the Bank of England, 100, Strand, London, W.C.2R, on Thursday, 11th October 1978, at 2.00 pm.

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## RUBBER

UNCHANGED opening on the London commodity market, with rubber trading in a quiet, steady, upward trend. The market was closed.

## SOYABEAN MEAL

The market was mostly steady. The market was closed.

## GRAINS

LONDON FUTURES (CATTLE) - The market opened unchanged on wheat and barley, but with a slight upward trend in volume. The market was closed.

## WHEAT

Wheat futures were mostly steady. The market was closed.

## BARLEY

Barley futures were mostly steady. The market was closed.

## WOOL FUTURES

Wool futures were mostly steady. The market was closed.

## FINANCIAL TIMES

Sept. 4/1978. 1st Month Year ago 250.87 248.54 255.66 240.05  
(Base: July 1, 1972/73)

## REUTERS

Sept. 4/1978. 1st Month Year ago 147.13 146.71 149.6 149.6  
(Base: September 18, 1971/72)

## DOW JONES

Sept. 4/1978. 1st Month Year ago 279.11 278.38 283.55 270.16  
Future 275.58 274.11 283.55 270.16  
(Average 1964-65=100)

## MOODY'S

Sept. 4/1978. 1st Month Year ago 250.87 248.54 255.66 240.05  
(Base: July 1, 1972/73)

## FUTURES FUND LAUNCHED

A \$10m. futures fund, formed to engage in speculative trading of commodity futures, is to be launched today by Thomson McKim Securities. The fund will be offered for only a brief period in units of \$1,000 with a minimum initial investment of five units.

## Jamaica ships more alumina

By Canute James

KINGSTON, Sept. 4.

EXPORTS of alumina from Jamaica increased 4.1 per cent in the first half of this year over the corresponding period last year, the Jamaica Bauxite Institute reported. There was, however, a 3.7 per cent fall in shipments of bauxite ore, the institute said.

Alumina shipments between January to June this year totalled 1.01m tonnes, and bauxite shipments were 3.09m tonnes.

Total bauxite mined in the first six months of this year was 5.77m tonnes, against 5.61m tonnes last year.

The Institute has also reported that Jamaica has overtaken Guinea as the world's second largest bauxite producer. Based

## on 1977 figures Jamaica had a total production of 11.1m tonnes to Guinea's 10.8m tonnes.

Guinea's output declined 4 per cent while Jamaica rose 10.9 per cent in the institute said.

## Guinea's output declined 4 per cent while Jamaica rose 10.9 per cent in the institute said.

Australia remained the world's largest producer with a 1.1m tonne increase in 1977 to produce a total 26m tonnes which is 30.5 per cent of all bauxite mined last year.

## The world's fourth largest bauxite producer in 1977 was the USSR with 6.7m tonnes, followed by Surinam with 4.9m tonnes.

Our Georgetown correspondent writes: The International Bauxite Association said it will be closely monitoring the new aluminium futures contract to be introduced by the London Metal Exchange from October 2.

## Mr. Patterson Thompson, chairman of the Executive Board, said it was unlikely that Caribbean bauxite economies would be affected by the LME contract but the producers would have to keep an eye on the situation.

## China buys more jute

DACC, Sept. 4.

CHINA will purchase an additional 5,000 tons of raw jute from Bangladesh this year under a contract signed between the two countries here, official sources said.

## The contract, the second in a week, brings Bangladesh's raw jute exports to China this year to 20,000 tons. The first contract for 15,000 tons was signed on August 30. All 35,000 tons will have been shipped to China by December, the sources said.

Reuter











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## BONDS & RAILS-Cont.

## BANKS & HP-Continued

## CHEMICALS, PLASTICS-Cont.

## ENGINEERING-Continued

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5
100	99	British Fund 1975	100	4.5	4.5
100	99	British Fund 1976	100	4.5	4.5
100	99	British Fund 1977	100	4.5	4.5
100	99	British Fund 1978	100	4.5	4.5

Five to Fifteen Years

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5
100	99	British Fund 1975	100	4.5	4.5
100	99	British Fund 1976	100	4.5	4.5
100	99	British Fund 1977	100	4.5	4.5
100	99	British Fund 1978	100	4.5	4.5

Over Fifteen Years

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5
100	99	British Fund 1975	100	4.5	4.5
100	99	British Fund 1976	100	4.5	4.5
100	99	British Fund 1977	100	4.5	4.5
100	99	British Fund 1978	100	4.5	4.5

Undated

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## INTERNATIONAL BANK

88 1/2% 100 Stock 77-82

## CORPORATION LOANS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## LOANS

Public Bond and Ind.

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## FOREIGN BONDS & RAILS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## AMERICANS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## CANADIANS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## DRAPERY AND STORES

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## ELECTRICAL AND RADIO

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## CHEMICALS, PLASTICS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## ENGINEERING

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## CHEMICALS, PLASTICS

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## HOTELS AND CATERING

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## INDUSTRIALS (Misc)

High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

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High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

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High	Low	Stock	Price	Div.	Yield
100	99	British Fund 1974	100	4.5	4.5

## FINANCIAL TIMES

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Tuesday September 5 1978



## WESTLAND WINS STUDY CONTRACT

## UK plans new helicopter

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A BIG new helicopter, called the WG-34, is planned by British Westland to replace the Sea King in anti-submarine warfare and other maritime roles such as search and rescue, for the mid to late 1980s.

Westland Helicopters of Yeovil in Somerset, has been awarded a project definition study contract by the Ministry of Defence for the helicopter and so far the Government has committed about £10m to the venture.

But the final development cost is expected to be about £1bn with an eventual market for up to 1,750 aircraft.

The aim is to secure international collaboration on the venture and talks are in progress

with the helicopter industries of France, West Germany and Italy.

Up to three-quarters of the development cost will be accounted for by advanced electronics, including micro-minutisation, with the rest for the air frame and engines which initially will be Rolls-Royce Gnomes.

Although military duties for the new aircraft are envisaged, it is hoped that the WG-34 could help meet the growing need for longer-range helicopters for the offshore oil and gas production and exploration markets.

The basic price of the WG-34 is expected to be about £3m to £4m. It will have three engines and will be bigger and heavier than the existing Sea King.

European helicopter collaborative production has already been highly successful, with nearly 2,000 of three types of helicopter—the Lynx, Gazelle and Puma—already sold under the Anglo-French helicopter programme begun some years ago.

● The U.S. Navy is considering the British Aerospace Hawk jet as a replacement trainer aircraft.

The contract would be for more than 300 and could be for as many as 1,000 trainers to replace the Buckeye and T-44. A link with an American company would be necessary if a deal is clinched and the most favoured company is McDonnell Douglas of St. Louis, Missouri.

More than 70 Hawks have

already been sold overseas since the beginning of the year—to Finland, Kenya and Indonesia. The RAF, which has 175 in order, is understood to be studying the possibilities of fitting air-to-air missiles to the ground attack trainer for local air defence.

Mr. John Fozard, marketing director of BA's Kingston-Brough division, said yesterday: "With an estimated worldwide requirement for up to 6,000 Hawk-type jets between now and the mid-1980s, international competition is very tough indeed. Three times the Hawk has been evaluated against all its competitors. Each time it has come out on top in capability per unit cost."

## Guerrillas kill air crash survivors

By Our Own Correspondent

**SALISBURY, Sept. 4.** TEN OF the passengers who survived the crash of an Air Rhodesia Viscount near the Zambian border were killed by Black nationalist guerrillas, the military command announced here tonight.

A communiqué said 18 people survived the crash, and of these five wandered off into the bush in search of help.

The guerrillas then arrived and opened fire on the rest with rifles, the communiqué said, killing 10 in a hail of bullets. Three survived to tell the story. The rest of the 56 aboard are presumed to have died in the crash.

The announcement further fuelled speculation that a guerrilla-launched ground-to-air missile may have brought down the four-engined Viscount after it took off from the resort of Kariba for Salisbury yesterday evening.

Guerrillas of Mr. Joshua Nkomo's Zambian-based Zimbabwe People's Revolutionary Army are said to have hand-held missiles of Soviet manufacture which home in on the engine heat of aircraft.

Security force members arriving at the scene of the crash this morning said a starboard engine appeared to have exploded and the starboard external side of the plane was scorched, the communiqué said.

The pilot, Capt. John Hood, 36, had radioed: "I have lost both starboard engines" before the plane disappeared.

All the passengers were whites except for eight members of two Rhodesian Asian families. The only passengers not of Rhodesian or South African nationalities were two Britons, named as Mr. Walter Brown and his wife, Elizabeth, of Dunfermline, Fife, who were visiting relatives in Rhodesia.

Tonight's communiqué said that the guerrillas arrived at the crash scene shortly after the plane had crashed and ordered the shocked and numbed passengers to their feet.

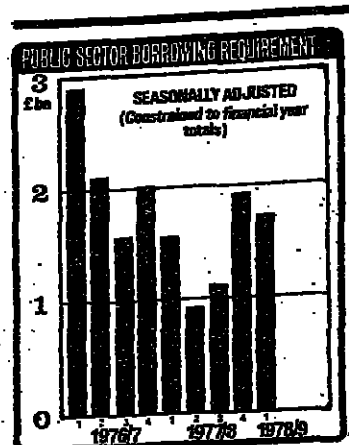
The terrorists then opened fire with Communist-made AK47 assault rifles and 10 of the passengers—as yet unnamed but six known to be women—died in a hail of fire.

The communiqué also said that after killing the 10 passengers the guerrillas looted the aircraft and bodies of the passengers who died in the crash.

## THE LEX COLUMN

## Gilts: watching and waiting

Index fell 4.6 to 493.4



for a clamp down on a working capital figure that rose from £47m to £73m in the two years to September 30, 1977. Given this latest fillip from the Government, it seems unlikely that shareholders will be deprived of all dividends for the year ending this month.

Hydro is obliged to follow stringent Norwegian accounting rules on depreciation and North Sea amortisation. Despite a positive cash flow from Frigg there is no contribution to profit this year, though net income from Ekofisk should have been well up.

Reported earnings amount to about NK 184 a share for 1977-78, but London brokers Grieseson Grant estimate that this will have multiple between three and four times by the early eighties. All the cash flow is badly needed at Norsk Hydro. According to last year's annual report, expenditure on fixed assets over the three previous years amounted to NK 7.3bn. Only 2 per cent of this came from internal funds, leaving the three previous years with borrowing of 70 per cent of capital employed at the year-end.

At NK 228—NK 1 up on the news—the shares trade at a multiple of 12 and yield about 4 per cent.

## Reardon Smith

Back in January Reardon Smith appeared to have spirited away its financial problems through a series of unexplained capital transactions, which substantially increased its liquidity and "dramatically" reduced its tanker losses. But as the annual report indicates the price was high. In the year to end-March it made a loss after tax and extraordinary items of £19.3m. It lost just over £6.0m on the sale of its drilling rigs and thought it prudent to reduce the book values of two ships sold by £9.9m. As a result shareholders' funds have plummeted from £30.9m to £13.3m, dwarfed by shipbuilding loans of £37.0m. The group is still afloat, having secured a moratorium on its loan repayments, but the "A" shares, at 32p, can be regarded as not much more than gambling chips.

## Ferranti

As expected Ferranti the NEB has abandoned the complicated formula for establishing the price at which it will sell part of its shareholding to other Ferranti shareholders. Instead the Ferranti prospectus reveals that a price of £1 (subject to final adjustment) has been agreed for 2.66m NEB shares which will be sold to other shareholders rather like a 1 for 3 right issue. The price has been fixed in line with the pre-suspension price of between 33p and 24p (following the scrip issue). After deducting the value of the right to receive the NE offer (worth 35p say), the price is equivalent to half the market price—which was its original intention. The calculation is rather rough and ready but it seems to be enough and at 200p the shares are selling on a high multiple of just under 10 to yield prospectively 4.3 per cent.

## Norsk Hydro

With stakes in both the Ekofisk and Frigg fields in the North Sea, both of which are now operational, Norsk Hydro looks well set to report bumper profits around 1980 and thereafter. But yesterday's preliminary statement shows that the group's pre-tax profit for the year to June 1978 has taken a slight dip to NK 241m (£24m), after NK 247m last time. The reason is partly cosmetic. Norsk

Ferranti seems to have been a bit stingy with the dividend and is not sticking its neck out with a profit forecast. However, it is better to be cautiously initially and, as long as prospective earnings of £5 and a multiple of 10, the 250p when dealings begin at the end of the month.

## Steel quota dispute puts strain on Eurofer

By Roy Hodson

INCREASING strains within Eurofer, the club of European steel producers, are expected to surface at tomorrow's meeting of the organisation in Brussels. There is dissatisfaction over breaches of output quotas and minimum price levels laid down by the EEC and over secret marketing deals between Eurofer members themselves.

Some major producers have been exceeding the quotas, laid down in the so-called Davignon plan for easing the current steel crisis, by up to 20 per cent, according to July production figures for individual countries now being published.

The surplus steel, coming from West Germany, France and Belgium, is being sold at low prices wherever it can find customers. One result is that both Britain and the U.S. are under particularly heavy pressure from steel from the Continent.

The secret agreements were concluded among Eurofer members during the worst days of the steel crisis last winter.

They are an interlocking series of arrangements which are supposed to protect steel-makers in each member nation of the EEC by limiting the amount of competition from other EEC steelmakers in that nation's home market.

Their aim is to assist market stabilisation by operating alongside the Davignon proposals for minimum steel prices and for maximum production levels. In the case of Britain, the agreements allowed 438,000 tonnes to be imported from other EEC producers between January and June. But that tonnage was exceeded by nearly 300,000 tonnes.

Steel imports into Britain from other EEC countries increased by 40 per cent between the first half of 1977 and the first half of 1978. Continental steelmakers have raised their share of the British market to 13 per cent (2.2m tonnes in a full year).

At Brussels tomorrow, those producers who have been sticking to the rules—the British Steel Corporation is one of them—intend to challenge the actions of other Eurofer members.

British representatives at the meeting will include Mr. Bob Scholey, deputy chairman and chief executive of British Steel, Mr. Gordon Sambrook, commercial director, and a board member of British Steel, and Mr. Alec Mortimer, director general of the British Independent Steel Producers Association.

Mr. Mortimer said last night: "It is an unbalanced situation between the Continental producers and ourselves." He believed that pressures from European steel were diminishing. However, other observers claim that shipments of Continental steel into Britain are still on an accelerating upwards curve.

Mr. Sambrook said: "I am not going to have the home market raped as a result of behaviour which is not in accord with that which producers have agreed with Davignon." Most of the competition was from strip mill products, he declared.

## Tories finish work on election manifesto

BY RICHARD EVANS, LOBBY EDITOR

WORK ON the Conservative manifesto was completed by the shadow cabinet yesterday in preparation for rapid publication if the Prime Minister calls an election.

Mrs. Thatcher and her colleagues met for over two hours at the Commons in the expectation that Mr. Callaghan will announce the election date within the next week.

The Tories' package of policies—which has been in preparation for over a year—will then be quickly published.

Some indication of the PM's thinking on timing could be forthcoming from his speech to the TUC at Brighton today, although he is not expected to be specific.

One possibility is that the date could be announced soon after

the cabinet meets on Thursday. October 5 remains the favourite. Alternatively, the PM could wait until early next week so that he can advise the Queen of the date on his visit to Balmoral at the weekend.

Inevitable

The shadow cabinet took the unanimous view that an election in the next few weeks is inevitable, partly for the psychological reason that the October bandwagon has rolled too far and too fast—and partly because of the belief that Mr. Callaghan would find it impossible to avoid defeat from all opposition parties at the start of another Parliamentary session.

The Conservative party machine is ready to roll backed by a growing poster campaign

and an increasing number of tours of marginals by party leaders.

With fortuitous timing, Central Office has already booked peak TV time tomorrow for the last party political broadcast allocated for the current political year. It will be the fourth in the series of controversial but highly professional broadcasts done by Saatchi and Saatchi.

Following her recent visit to Scotland and Border constituencies Mrs. Thatcher will tomorrow begin a tour of key seats in the West Midlands—an area where the Tories must score heavily if she is to reach 10 Downing Street.

The marginals include Lichfield and Tamworth where Labour has a majority of 331 and West Gloucestershire where Labour's majority is 409.

## Hattersley bid for Labour NEC means conflict with Owen

BY IVOR OWEN, PARLIAMENTARY STAFF

MR. ROY HATTERSLEY, the Prices Secretary, and one of the youngest and most ambitious members of the Cabinet, is making his first bid to secure election to the Labour Party's National Executive Committee.

The agenda for the Labour Party conference discloses that he is one of 34 candidates for the seven constituency party places on the NEC.

The conference is due to open at Blackpool on October 2, but with the growing probability of a General Election next month it is almost certain to be postponed to later in the year.

The entry of Mr. Hattersley,

aged 45, into the constituency party lists brings him into an intriguing conflict with Dr. David Owen, 40, the Foreign Secretary, and the man most likely to be his rival for the Centrist Right vote in a future Labour leadership election after the retirement of Mr. James Callaghan.

Both are ambitious

Dr. Owen, just as ambitious and determined as Mr. Hattersley, stood for the constituency section of the NEC for the first time at last year's Labour Party Conference, and caused some surprise by securing a creditable

178,000 votes which brought him to an unexpectedly high position among the unsuccessful candidates.

Both are likely to bid for the same votes in this year's constituency section contest, which is usually dominated by the Left wing and is always regarded as a significant barometer of its mood and stature in the Labour movement.

Three other Cabinet Ministers, Mr. Anthony Wedgwood Benn, seeking re-election; Mr. Peter Shore; and Mr. Stanley Orme, are among the other constituency section candidates.

## Babcock to spend £70m on modernising boiler factory

BY ROY HODSON AND RAY PERMAN

BABCOCK AND WILCOX plans a £70m modernisation of its power station boiler factory at Renfrew, near Glasgow, to handle expected new orders.

These will start with the Drax B power station, Yorkshire, although the Central Electricity Generating Board is still reluctant to accept the company's tender for the project.

An early meeting is likely between the Board and Babcock management to discuss the tender price for the boilers which is thought to be higher than the £150m estimated by the CEBG.

Neither the Board nor the company are keen to reopen the public debate on the building of the second stage of the Drax power station, but the costing of the work is complicated by the fact that the CEBG has not ordered a power station since 1973.

A final tender for the work has been submitted by Babcock. The

company will also be bidding for boilers for the Heysham and Torness nuclear stations and for the planned Shannon stations in Eire.

Mr. Bruce Millan, Secretary of State for Scotland, said during a visit to the Renfrew factory yesterday that the Government wanted to sustain the heavy boiler industry in Britain.

He said the Drax order would safeguard Renfrew until 1980 and he was confident that the electricity industry's ordering programme after that date would justify increased capacity.

The CEBG confirmed last night, however, that the contract had not yet been placed.

Delays

A long political dog-fight took place before the Government decided last year to order the coal-fired Drax power station.

Mr. Anthony Wedgwood Benn, the Energy Secretary, then asked the CEBG to place the turbine generator order, worth an estimated £125m, with Parsons.

No company was specified for the boiler contract but it was widely assumed it would go to a new company to be formed from a merger between the boiler-making interests of Babcock and

Wilcox and Clarke Chapman. Later, merger plans were scrapped.

The CEBG is anxious to solve its continuing problem of delays in power station construction by the low productivity of plant erection workers on large sites.

As part of the Drax and future contracts the board is seeking to include sanctions. It has in mind financial rewards for good performance and penalties for the late commissioning of plant.

Babcock and Wilcox said in Renfrew yesterday that its project for the works amounted to rebuilding and re-equipping most of the plant, and was essential if the industry were to survive. It expected its main competitor Clarke Chapman of Gateshead to announce similar proposals.

The starting date and speed of the work would depend on the outcome of talks between the Government, the CEBG, and the two Scottish generation boards on the ordering for new power stations in the next 30 years.

Mr. John King, chairman of Babcock and Wilcox, said: "Once we know there is a firm ordering level from the electricity boards, and what it is, we can get on quickly to develop the factory. We take the view that there will be no real problem in raising capital."

## Supervisors told not to do work of SU strikers

By Alan Pike, Labour Correspondent

SUPERVISORS at BL's SU Fuel systems factory in Birmingham were advised by their union yesterday not to do the work of 32 toolmakers who face expulsion from the Amalgamated Union of Engineering Workers.

Mr. Stan Jefferson, a Midlands member of the Association of Scientific, Technical and Managerial Staffs executive, wrote to his members at the SU plant reminding them of a union rule.

It stipulates that "in any industrial dispute in which members of the association are not involved members shall not undertake any work normally outside the terms of their employment."

The 32 toolmakers have been in support of a pay parity claim and on Sunday the AUEW executive confirmed their expulsion from the union.

Mr. Jefferson said yesterday that his members had not yet been asked to take over the toolmakers' work, but were likely to be asked later this week. "I should not like to see our members involved in the internal dispute of another union," he said.

During last year's Leyland toolroom strike, said Mr. Jefferson, ASTMS supervisors were approached to take over toolmakers' work, but refused.

Many of the supervisors were themselves former AUEW toolmakers. They were concerned about pay differential problems and were sympathetic to the toolmakers' case.

A copy of Mr. Jefferson's letter has been sent to Mr. Hugh Scanlon, president of the AUEW. The executive has decided that the strikers' expulsion will become effective if they refuse to attend an East Birmingham district committee meeting later this week where they will be instructed to return to work. The men have repeatedly ignored previous instructions to call off their strike and have failed to attend other district committee meetings.

Letters offering them a last chance to change their minds were written in the AUEW's London headquarters yesterday and sent to Brighton, where the TUC Congress is in progress, to be signed by Mr. John Boyd, general secretary. They will go to the strikers by registered post today.

## Weather

## UK TODAY

MAINLY DRY; sunny periods. London, SE, S and Cent. N England, E Anglia, E Midlands. Sunny periods developing. Max. 20C (68F).

Cent. S England, W Midlands. Dry. Cloudy later. Max. 20C (68F).

Channel Is., SW England. Cloudy. Rain later. Max. 18C (64F).

Wales, N Ireland. Dry at first. Rain later. Max. 18C (64F).

NW England, Lakes, Is. of Man, Glasgow, Argyll, SW, NW Scotland. Dry, sunny periods. Max. 18C (64F).

NE England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth, NE Scotland, Orkney, Shetland. Dry, sunny periods. Max. 16C (61F).

Outlook: Mainly dry. Near normal temperatures.

## BUSINESS CENTRES

City	Yday	Today	Yday	Today
Amsterdam	17	17	17	17
Antwerp	17	17	17	17
Birmingham	17	17	17	17
Bombay	17	17	17	17
Buenos Aires	17	17	17	17
Calcutta	17	17	17	17
Canton	17	17	17	17
Cebu	17	17	17	17
Hankow	17	17	17	17
Hong Kong	17	17	17	17
Kobe	17	17	17	17
London	17	17	17	17
Lyons	17	17	17	17
Manila	17	17	17	17
Medan	17	17	17	17
Osaka	17	17	17	17
Shanghai	17	17	17	17
Singapore	17	17	17	17
Sourabaya	17	17	17	17
Tokyo	17	17	17	17
Yokohama	17	17	17	17

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## European shipbuilders

ders in a number of instances lately a contract to build a series of 15,000 cwt bulk carriers for Pakistan, the Japanese yard involved was sixth in the bidding—well behind British Shipbuilders, for example.

The lowest bidder in this and a number of other current tenders has been Poland, with Korea usually running second.

There is no clear indication for European shipyards of how long the respite from Japanese competition will last—but brokers believe that once the main lines of shipbuilding reorganisation in Japan become clear, the yards will again start to assert themselves.

Much will also depend upon

the relative values of the dollar and yen as Japanese yards have in the last year been forced to conclude most of their ship export contracts in dollars.

This follows the chastening experience of many shipowners, notably Greeks, in seeing their construction costs of their ships increase substantially during the building period.

The revision of Japanese prices clearly ties in with the hardening of the yen in recent weeks, but in the past shipyards have chosen to contain the effects of these currency fluctuations in the quest for more exports.

Last year, Japanese yards took over half of the world's shipbuilding business, according to Lloyd's Register figures.

Continued from Page 1

## Ferranti shares

Additionally the Government has now decided not to make a compensation payment in lieu of the group's transformer losses, which have risen to £10m since 1969.

Mr. Alun Jones, managing director, said yesterday that the lack of compensation was re-

flected in the offer price.

He said that despite the differences between the current and earlier proposals the scheme had been designed to meet the original criteria that the NEB's holdings should be offered at significant discount to the Ferranti shareholders.